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West Europe Report

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POLITICAL

DENMARK

SDP SPOKESMAN: COALITION ACTIONS AID DEFENSE CONSENSUS

PM091348 Copenhagen AKTUELT in Danish 27 Sep 85 pp 10-11

[Social Democratic Party defense policy spokesman Lasse Budtz article: "The Social Democratic Party and Security Policy"]

[Text] The conservative, nonsocialist government and the Social Democratic Party [SDP] may disagree about many things, but on one point we are agreed: There is a definite advantage in having a large and solid majority behind Denmark's foreign and security policy.

We all know about developments in recent years. There is a majority in the Folketing in favor of an active disarmament and detente policy. But first, this does not include the government parties. And second, the parties which form this majority are far from agreed on all points.

When the SDP proposed that an interim Folketing security policy committee should be set up, it was to investigate whether it would be possible to reach a greater convergence of view on foreign and security policy. Whether, in other words, we could in some areas broaden the majority or--to put it another way--whether we could get the parties inside and outside the government to move closer to each other.

The SDP point of departure in the negotiations, which have now resumed a break occasioned by disagreement on the attitude to the SDI program (star wars) and after the Folketing's so-called summer recess, must logically enough be our party program. This work program contains the contents of the well-known 3 May resolution, and since this has been adopted by all the party's competent bodies headed by a unanimous party congress there can be no doubt about what we will adhere to.

But against this background is there any chance of a rapprochement between the parties? There ought to be, at least on a number of important points.

Jens Otto Krag [former SDP leader] and Anker Jorgensen have often been able to say with every justification that even though SDP views do not perhaps initially win the necessary backing, this backing has often come later as the problems and evaluations of them have matured. This is how things have gone in some areas of foreign policy at least.

In the fairly desperate position in which his party finds itself, the foreign minister has a tendency to repeat himself. This is in order, especially when his remarks have no immediate effect. But according to the daily press, he actually said in New York recently that if it is impossible for the Security Council to reach agreement on binding economic sanctions against South Africa this should not prevent individual countries from adopting measures of their own.

This is an important toughening of the nonsocialist parties' attitude and we welcome it. Shame on those who are not prepared to adopt a new position when circumstances change.

And indeed did the prime minister too not advise the United States to seek direct negotiations with the PLO during his visit to Washington? According to the daily press the prime minister at least declared that it is impossible to leave the PLO out of the peace process in the long run. When we recommended the same approach a couple of years ago we came under strong attack, not least from the Conservatives.

It is tempting to say that truth is on the march.

But what about security policy?

When, prior to his New York visit, the foreign minister delivered a speech in Geneva to the third review conference on the nuclear nonproliferation treaty he chose his words in a way in which a Social Democratic foreign minister could just as well have done. I think that I can say that we agreed with every word the minister spoke--but there were some things that were missing--and the government's instructions to the Danish delegation which included parliamentarians were also unimpeachable. A good sign--and perhaps even a good omen for the future.

The foreign minister gave an international ban on nuclear tests his clear support. He called on France and China to sign the nonproliferation treaty and this is almost the same as saying that France should end its tests in the Pacific.

The foreign minister expressed in principle the view that nuclear-free zones could strengthen global security and he welcomed the new treaty for a zone in the Pacific.

The foreign minister noted with satisfaction the developments that have taken place in methods of seismic measurement. This progress is of great significance for the verification of a possible ban on nuclear testing. But it must be added that the minister is nevertheless not entirely satisfied with the development of new methods. Enough progress has not yet been made, in the foreign minister's view, and for this reason he "only" supports a test ban treaty with on-site checks, just like the United States which opposes a treaty because it will also need nuclear explosions in connection with the implementation of its SDI program.

But the foreign minister was prepared to practice what he preached. When at a late stage in the conference it looked as if it might perhaps prove impossible to reach agreement on a final document the neutral and nonaligned nations put forward a few proposed resolutions. These were later withdrawn, but if it had come to a vote the Danish government would have been prepared to vote in favor of a freeze on nuclear stockpiles and of a test ban treaty. However, it would not have voted for a so-called moratorium on testing (a temporary ban to open the way for negotiations). This was also completely rejected by the Americans.

Perhaps these stances adopted by the government are not that remarkable. For us they are completely logical--with the exception of its attitude to the moratorium. But we could perhaps dare to view them very cautiously as mere indications of some movement. It is impossible to put it more cautiously.

The SDP has entered the resumed work of the interim security policy committee with a willingness to negotiate the problems as they were formulated in a working paper we presented to the committee. I will not go into too many details but it is perhaps possible to imagine that we could reach a common stance on at least some of the following topics:

A freeze on nuclear stockpiles.

A ban on nuclear testing.

An international ban on chemical and bacteriological weapons.

An expansion of confidence-building measures.

Balanced reductions in conventional arms.

The signing of a nonaggression treaty.

Controls on the international arms trade.

The Nordic nuclear-free zone is--probably--more difficult, something we deeply regret, as is a ban on the deployment of arms in space and an international agreement outlawing the first use of nuclear arms.

There are a number of other problems. For example, the question of a greater European role. But this could perhaps be assumed by the West European nations through an expansion of the cooperation within the European political system. This is worth discussing because something must be done for increased European cooperation as a counterweight to the colossal dominance of the superpowers.

Finally, one more thing for the sake of completeness: There is very broad agreement between the social democratic parties in Europe--the exception is, of course, the French. And no social democratic party has proposed that the country which it represents should leave NATO. But we must also work for disarmament within NATO.

POLITICAL

DENMARK

SCHOLAR SUGGESTS MEASURES TO EASE FOREIGN POLICY FEUDING

Copenhagen BERLINGSKE TIDENDE in Danish 17 Sep 85 pp 10-11

[Op Ed Article by Carsten Due-Nielsen, lecturer in international politics at the University of Copenhagen: "Controlling Foreign Policy"]

[Text] Perhaps the government ought to try to use more subtle methods and thereby take advantage of its position as the government in its relations with the Social Democrats, according to this feature article on the difficulty of keeping tabs on Danish foreign policy.

In the last few years, Danish foreign policy seems to have been frozen in a set position. This is not so much due to insurmountable problems from without but is the result of internal disagreements of which the dispute over security policy between the government and the majority in the Folketing has been the most visible, but there has also been talk of marked disagreement in European policy. Policy toward Third World countries, too, has given rise to conflicts.

In a feature article on 2 August, Niels Jorgen Haagerup correctly drew attention to the Social Democrats' central position in post-war Danish foreign policy and noted some of the assumptions behind the new social democratic course. At the same time, Haagerup has difficulty finding a way out of the situation that has arisen where it is the Folketing's majority, which is only partially in agreement, that draws the main foreign policy lines rather than the government.

Now naturally one must not overestimate the significance of the role of the majority in the Folketing. Governments have always had to deal with the possibility of intervention in all matters by the Folketing but have still remained in power. In foreign policy this has been done by exercising a monopoly over negotiating with the outside world. The government cannot be kept from giving other states its own analysis and position regardless of whatever resolutions it is required to read out loud in international forums. But clearly, a kind of uncertainty among friends as well as among enemies ensues when the government's parliamentary support is doubtful and when concrete agreements that presuppose legislation, ratification or appropriations can be endangered. Since the majority in the Folketing cannot on its own conduct a policy against the government's will, the result is invariably a more passive foreign policy with poor possibilities for using international trends to Denmark's advantage.

The problem is thus real enough, but it is difficult to see a solution. This is due, among other things, to a generation-long tradition here of agreement over foreign policy by a foreign policy establishment consisting of politicians, officials, journalists and scientists who have agreed on the basics and who have kept the actual analyses and discussions of Danish foreign policy within the limits of their own sector. This situation has brought with it several advantages, not the least of which are objectivity, continuity and predictability to policy which has not given the general public a deeper understanding of the issues and consequently the background necessary for a commitment to the arguments of different sides when disagreement within this establishment arose. In particular, an understanding of defense policy, which deals with potentialities, long-term plans, assurances and situations where it is suddenly too late to find partners and a way out, certainly demands considerable getting used to by the public.

Now when Danish political parties have traditionally been very reticent about engaging in foreign policy on their own if doing so could have real consequences, how has it come to the point where the majority in the Folketing seeks to by-pass the government and steer foreign policy through resolutions, debates, politicking with appropriations and public declarations from opposition politicians?

The typical explanation cites a concern for voter opinion, next, the parliamentary play between parties and finally internal relations within the relevant parties. The explanations presuppose that voters' attitudes are in a state of flux (or that the voters have never had the same view as the foreign policy establishment), that the present parliamentary situation presents special opportunities for gain by playing the foreign policy card, and that there are internal conflicts within the parties between individuals and factions, who either disagree about foreign policy or use it as a convenient battlefield.

Specifically, people have latched on, not the least, to the Social Democrats' relations with the Socialistic Peoples' Party [SF], but still more have asked whether the tactical loss and the loss in voters to the SF was not greater than the gain. And even though active circles within the social democratic party apparatus and among the party members undoubtedly fall closer to the new point of view than to the old, there can hardly, thanks among other things to the Danish Federation of Trade Unions, be talk of an internal slide comparable with what has happened in some of the social democratic parties outside Denmark. Moreover, among these it seems that the slide has now been stopped.

In the meantime, the consequences of the new social democratic orientation for the Radical Liberal Party can be quite as interesting as the competition with the SF. The radicals' traditionally declamatory foreign policy is now to a certain extent getting practical consequences. It strains their relations with the government, it can lead to an unforeseen election and thereby endanger not only economic policy but also risk losing the Radical Liberals' enviable role of having the crucial vote in all legislation. Sooner or later, this situation must force the radicals' leadership to a foreign policy soul searching and a new course. It has long been a question whether Niels Helveg Petersen has the same view of the international situation and of Danish interests as does, for example, Lasse Budtz. If the radicals find a way to pull back, the parliamentary effect of politics by resolution will disappear. Seen in a broader perspective, the Folketing's new and stronger position in

foreign policy hardly has very many foreign parallels, but comparisons with most countries are made undeniably difficult by the different traditions for majority governments.

However, in most countries it is true that the attempts by parliaments at getting control of foreign policy during the 1970's has met with a reversal in the 1980's. It is difficult to determine whether the long-term tendency is in the one direction or the other.

In favor of increased parliamentary control, we have the general politicization of life in society, the tight connection between external and internal conditions, and the strong western ideology of rule by the people, which makes parliament the last and highest authority in all matters.

But quite a lot of observers have stressed that in spite of these reasons, the tendency should, if anything, go in the direction of stronger control of foreign policy by the government and the administration. The reason for this is the parliaments' difficulties in grasping the ever-increasing amount of information, the lack of continuity, expertise and time, their poor possibilities for insight into, much less control of, negotiations between states (often leading to *faits accomplis*) and finally their continual preoccupation with more near-at-hand questions of internal politics.

Now parliaments, naturally meaning the opposition parties in particular, can presumably get around these problems to a certain degree. They can get their own experts, channels of information and foreign contacts, and they can try to conduct their own negotiations with parties and officials in other countries. Finally, they can also ignore the concrete policy details and keep to the general principles of declarations. However, these can hardly be repeated in the long run without some way or other of making them more concrete, which will demand knowledge and analytical effort.

If one can conclude that the Danish opposition parties have a not unimportant influence on foreign policy while the general tendency is if anything going in the opposite direction, then one must ask the question whether the government has played its cards badly--or whether the opposition has been unusually effective?

The answer could be that so far the opposition's results are not just due to parliamentary strength, but also to the government's false interpretation of Anker Jorgensen's position. On the one hand, he has shown himself to be the uncontested leader of the social democrats' foreign policy. On the other hand, much points to the fact that he actually means what he is now saying about defense policy. This latter possibility has surprised many, for it presupposes either that his point of view developed very quickly in the fall of 1982 or that he has not whole-heartedly meant what he said as prime minister. What the parties making up the government in the beginning took as internal political tactics and therefore tried to meet with the same methods, turned out to be a personal conviction. This conviction is the basis for the continuing press against the government by the social democratic security policy spokesman and by the SF's parliamentary tacticians.

The government has apparently been at a loss since, straight off from its accession to power, it was met with such sharp criticism of its foreign policy, which it--quite rightly--saw as an almost exact continuation of the

Social Democrats', except for a little more Atlantic and European accent. The government's course has shifted between being conciliatory--bordering on the self-effacing--and more resolute, in places almost polemic, and this has created a kind of uncertainty as to how far the government would follow the social democratic resolutions and when it would say stop. Words and actions have not always matched, and it has been possible to perceive internal disagreement among the government parties over tactics.

The foreign minister's clear position in favor of an unchanged security policy and his well-formulated and rather polemic style has undoubtedly enlivened the public debate and has probably also increased the opposition's mental activity on foreign policy issues, but it has hardly changed the position of many voters, and the pressure it should have put on the Social Democrats has until now only resulted in a stubborn continuation of--or even a strengthening of--the party's new line. And the pressure has apparently not made it easier but rather more difficult for the social democratic leaders of another persuasion to succeed from the inside.

In the final analysis, the government must consider it unlikely that the Social Democrats will permanently set a course ending in neutrality. So perhaps to a greater extent than hitherto, the government should try to supplement their clear and less-than-clear statements and their polemic style with more subtle methods and thereby take advantage of its governing position.

Every foreign policy line has strong and weak points. It is therefore of primary importance to choose the field of battle, to take initiatives and to debate issues where the government is strong in both argumentation and opinion, instead of letting the opposition set the agenda as has mostly been the case until now. Moreover, it is important to channel information and ways of thinking to the opposition so that it does not to such a great degree have to rely on its own contacts with other countries' parties or on less representative experts and journalists. To this end the collective foreign policy establishment can be mobilized more than has been done up until now, not least the social democratic oriented researchers and those officials in whom a broad circle of leading social democrats have confidence.

If the social democratic leaders' convictions are to be moderated, then they must be taken seriously, and one must inform and argue understandingly from many bases. If it is true that both Svend Auken and the American Deputy Secretary of Defense came to think more highly of each other after they knocked heads together last summer, perhaps the government should try to establish more frequent meetings of this nature.

"Try with the strong arm of love," is an old pedagogical motto that the foreign minister could take for his own. In certain cases, it can help with difficult students who may become impudent if the teacher is accommodating and stubborn if he insists too much on his rights.

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POLITICAL

FINLAND

NEWSPAPERS VIEW EXPULSION OF STALINIST DISTRICTS BY CP LEADERSHIP

Stalinists Attack Central Committee

Helsinki HELSINGIN SANOMAT in Finnish 15 Oct 85 p 7

[Article: "Expelled Minority Members Accuse Majority of Embarking on Path to FCP's Destruction"]

[Text] The decision on Sunday by the Central Committee of the Finnish Communist Party (FCP) to expel eight minority districts from the party means open embarkation on the path to the FCP's destruction. This was the accusation of the expelled minority districts' representatives who assembled in Helsinki on Monday. They also confirmed that the districts were not shattered and would continue their activity.

According to a statement by Taisto Sinisalo supporters, the leadership group of Chairman Arvo Aalto has assumed--by its decision--public responsibility for the FCP's breakup.

In the opinion of the Sinisalo backers, the current Central Committee was not elected in accordance with the rules or the membership's wish, and the expulsion decisions were therefore made against the membership's will.

By breaking up the FCP, the goal is to replace the party with a nationalistic and semisocial democratic organization. The statement confirms that the path will thereby also be opened for making our country more conservative and for attacking the Agreement of Friendship, Cooperation, and Mutual Assistance.

The minority districts appealed to the league council and the districts of the SKDL [Finnish People's Democratic League] to make preparations in unity for the elections and not to carry out the expulsions in the SKDL.

Kajanoja Also Passes Judgment

On Monday in Helsinki, former FCP Chairman Jouko Kajanoja likewise condemned the expulsion decisions made on Sunday by the FCP and also expressed his concern about the SKDL's destiny.

In Kajanoja's opinion, breaking up the party does not solve the FCP's problems but makes them worse. It is certain, he said, that most of the party membership does not consider the Central Committee's course of action correct.

"Only those who are insecure and cannot rely on the support of the majority of the party membership need to resort to breakup, expulsion, and harsh organizational measures," said Kajanoja.

"It is utterly senseless if the breakup causes broad democratic forces to assemble in the SKDL. It is utterly senseless if the election slates are broken up and in that way an outright gift of political power is given to the conservatives," warned Kajanoja.

May Complicate USSR Relations

Helsinki HELSINGIN SANOMAT in Finnish 15 Oct 85 p 2

[Editorial: "FCP's Bipartition Complicates Domestic Politics"]

[Text] The FCP's internal wrangle has already undergone so many different phases that the decision on Sunday by the party's Central Committee to expel the eight minority districts no longer seemed particularly dramatic. Nevertheless, the event is undoubtedly historical. Only time will tell how far-reaching its effects prove to be.

In any case, Chairman Arvo Aalto was right when he emphasized that the Central Committee had no other alternative. The FCP's split has lasted for nearly 2 decades. During that time, the party has lost 20,000 members and 150,000 supporters. The drop in support becomes more and more precipitous.

When he advanced to the post of chairman a year and a half ago, Aalto made it clear that matters could not continue in the same old way. If the minority did not want to forgo its cliquishness, it had to leave the party. Instead of establishing its own party, the minority adopted a hanger-on tactic. It did not agree to resign but strove singlemindedly to play its cards in such a way that responsibility for the party's possible breakup would fall entirely on Aalto.

In this tactic the minority succeeded. Ultimately, in order to preserve his own credibility, Aalto had to carry out his threat. The most essential part of the task has now been performed, but surely at a stiffer price than originally reckoned. In Moscow's eyes, Aalto is personally responsible for the breakup of a communist party which belongs among the most remarkable in Western Europe. It is a serious sin for an incumbent chairman. His pledged readiness to ease tensions between the FCP and the Communist Party of the Soviet Union (CPSU) will hardly meet with a speedy and sympathetic response.

The difference from the way things were before is certainly not as dramatic as it sounds. The FCP's relations with Moscow have been strained for a long time. A confidential meeting in the Kremlin was never arranged for Aarne Saarinen, Aalto's predecessor, even though the party's importance would have supposed it without further ado.

Aalto rejects as ungrounded the talk about the FCP's being driven to the political sidelines and assures us that after the wounds heal the FCP will be a trustworthy collaboration partner. It is not merely a question of Aalto's assurances, however. No matter what opinion one had of their sincerity, the FCP will scarcely qualify

as a collaboration partner for even one government party in the near future. Now that the Conservative Party has first been urged to put in order its relations with the East, the same may also be asked of the FCP.

No one has any reason for malicious glee. The FCP's bipartition makes our domestic picture more complicated than before and narrows down the government alternatives. The development will probably lead to the formation of a parallel communist party. In the long run, this must be considered a better alternative than the kind of communist party--incapable of collaboration--which has in practice comprised two parties drawn in different directions. It is only to be hoped that the painful transition period remains as short as possible.

Other Newspapers Comment

Helsinki HELSINGIN SANOMAT in Finnish 15 Oct 85 p 7

[Editorial Roundup: "Other Papers"]

[Text] On Monday a few newspapers found time to comment on the decision Sunday by the Communist Party Central Committee to expel Taisto Sinisalo's minority district organizations from the party.

FCP's Only Way

KANSAN UUTISET, the main organ of the FCP and the SKDL, thought that expulsion was the only way to fulfill the organizational policy obligations of the party congress.

"The solution reached means that the main strongholds of the opposition movement lose the possibility of appearing before the public on behalf of the party. It does not mean the expulsion of members and party divisions, though that has often been claimed publicly.

"History and the coming period will give an answer to the question of whether this solution opens the path for the Central Committee to seriously seek a genuine restoration of the party's health and an increase in political power."

Hammer or Sickle

The Conservative Party's AAMULEHTI in Tampere considers the next stage of the expulsion process the interesting one, the stage in which the party divisions that belong to the expelled district organizations have to decide whether they will transfer to the new district organizations established by the majority. It will then be seen how many of the FCP members are, after all, adherents of Taisto Sinisalo.

"The FCP's breakup process, despite the good decade and a half of its fermentation, has been seen primarily at the leadership level and experienced as such. Not until now does the most delicate part--the personal decision of each party member--shift to the field level. As a consequence, there may still be bitter local conflicts, but the decisions must be made.

"There are three alternatives: remain under the party leadership's hammer or--carved up by its sickle--go over to the Sinisalo side or abandon the disintegrating movement."

Put Relations With CPSU in Order

The Center Party's SAVON SANOMAT in Kuopio believes that the expulsion of the eight minority districts brought an end to the 20-year-long power struggle within the FCP.

"The Central Committee's decision adds a further strain to relations between the FCP and the Communist Party of the Soviet Union. Expulsion of the minority districts took place against the advice of the CPSU.

"Finns hope that the FCP becomes reunified faster than it broke up and puts relations with its fraternal party in order."

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POLITICAL

FRANCE

COMMUNISTS DISRUPT REUNION CANTONAL ELECTIONS

Loss Anticipated

Paris LE FIGARO in French 28 Aug 85 p 6

[Article by Claude Huc: "Reunion: Communist Party Electoral Terrorism In Trouble--To Cover Up Its Predictable Defeat In The Saint-Andre Cantonal Elections the Communist Party Escalated Incidents Hoping to Bring About a Third Invalidation of the Election"]

[Text] Saint-Denis--While visiting Reunion to "listen to heads of business and learn about their problems and difficulties," Mr Yvon Chotard, the vice president of the CNPF [National Council of French Employers], discovered an island in electoral tension. Indeed, the press, radio and television are giving top coverage to the many incidents which took place on Sunday in Saint-Andre during voting in the cantonal elections. A vote which ended, we would repeat, in a new Communist defeat and with the victory of the two opposition candidates, outgoing regional councillors Louis and Jean-Paul Virapouille.

For the Reunion Communist Party, 25 August 1985 will remain a day of shame, the worst in 30 years." After it ordered its candidates, representatives and polling place aides to leave polling places at the end of the morning, it was easy for the Reunion Communist Party to state today that in the afternoon ballot boxes were stuffed "by the insiders," as in the good old

In the confusion surrounding the Communists' departure from polling places, ballots and voter lists mysteriously disappeared. But Jean-Paul Virapouille, who had foreseen the Communist power play, had asked polling place supervisors to make duplicate copies of voter lists. For the mayor of Saint-Andre, who has nevertheless lodged a complaint for theft, the voting thus proceeded quite normally after the Communists left.

Police, who were very visible on Sunday, have heard a large number of witnesses. Their statements have been sent to the public prosecutor, Mr Schiano, who decided to open an inquiry. In addition the public prosecutor is waiting for the report of the electoral operations supervisory commission. He has also asked Judge Oget to open an investigation and some aides have already given evidence on rogatory warrant.

7 November 1985

Everyone is now awaiting the appeal which the Reunion Communist Party will not fail to file. And faced with the prospect of having to vote for the third time in less than a year, the residents of Saint-Andre all feel "fed up."

Communists Charge Corruption

Paris LE FIGARO in French 30 Aug 85 p 5

[Article by Claude Huc: "Reunion: Communist Party Turns Threatening; 'Nothing Prevented Us From Turning Saint-Andre Inside Out,' Paul Verges Said of the Town Where Cantonal Elections Took Place Sunday"]

[Text] Saint-Denis--It had been predicted: three days after the Saint-Andre cantonal elections which ended in victory for the two outgoing UDF regional councillors Louis and Jean-Paul Virapoulle, Paul Verges, the leader of the Reunion Communist Party, decided to file an appeal for invalidation with the administrative court. At the same time, Paul Verges is lodging a criminal complaint against Jean-Paul Virapoulle.

The Communists' argument is extensively set forth in a special issue of TEMOIGNAGES, the daily newspaper of the Reunion Communist Party, and Paul Verges summarized it for the press and television. First of all, say the Communists, during the election campaign, Jean-Paul Virapoulle employed corruption extensively to convince voters. With municipality funds, he distributed construction materials and welfare coupons in particular.

The Reunion Communist Party went on to say that the voting could not proceed under normal conditions: nails on the roads, polling places full of body guards and "former convicts" working for Virapoulle, police officers in certain polling places, pressure tactics and the vote count carried out behind closed doors.

Paul Verges showed photographs of what he called an "electoral safari" in which "lists were rigged" and during which polling place supervisors were "subjected to pressure from Virapoulle." For him, the matter was very clear: The Communist representatives and advisers did not leave stations voluntarily, they were thrown out. And he spoke, on the same occasion, about voter lists "mysteriously disappearing and miraculously being found," about "ballot boxes with several slots," about a "systematic refusal to enforce election rules" and about the administration's laxness.

At the end of this statement the secretary general of the Reunion Communist Party turned threatening. "Beware," he said in substance, "if the people can no longer express itself by the democratic route, it will choose other means. Nothing on Sunday prevented us from turning Saint-Andre and the house of Virapoulle inside out. Everything will not always be avoidable. Stopping such a train of events depends on the public authorities. If not, next time there will be fire."

Indeed, once again, judicial and administrative authorities will have to settle the matter. Examining magistrate Oget, who is in charge of the case,

has had the film of the voting seized at the RFO [expansion unknown] offices and he viewed this film for more than one hour. He has done all this in the context of an investigation opened in the public prosecutor's office and quite determined to shed all possible light on these occurrences.

As for Jean-Paul Virapouille, he has chosen for the moment not to enter the fray and to let justice do its work.

12789

CSO: 3519/283

POLITICAL

GREECE

INTERNECINE STRUGGLE WITHIN SECURITY ENTITIES

Athens I KATHIMERINI in Greek 27 Sep 85 p 4

[Article by G. Karayorgas: "The Unexplained"]

[Text] Without realizing how, we found ourselves in a situation which fell just short of confusion. Anguish over the police impasse that emerged where no one expected it justifiably superseded people's anguish over the economic impasse.

Existing organizations and fictive ones squabble in public, claiming paternity for murders. The real ones produce proofs. The others mumble their arguments through the lips of "heroically " self-advertised KYP [Central Intelligence Service] agents.

The police undermines the KYP which, in turn, neutralizes the police. And both [turn on] the minister of public order and the head of the KYP, who are exposed as uninformed.

The EL-AS [Hellenic Police], divided into the former Gendarmerie and the former Police, has launched a secret war to exterminate factions on both sides.

A Navy officer is under investigation on a charge of espionage against his country, and his political allegiance is publicly emphasized.

Electronics experts [working] in a private capacity in other fields, characterized as particularly dangerous, are accused of espionage and taken into preventive custody.

The new vogue word "spyology" has become part of government vocabulary. The leader of the official opposition is "invited" by the investigating magistrate to submit the facts and name the sources on which he relied for the political act of his denunciation, a procedure through which it becomes liable to prosecution!

Qualified ministers who are invited to shed light on the case refuse to talk on the grounds that they are not qualified.

The prestige of high officials of the ELAS and KYP suffers severe blows when articles in the press announce their imminent retirement. And no immediate

denial follows.

International public opinion gleefully publicizes the faux-pas of our secret services, which were using an agent who was simultaneously fooling five similar agencies by placing harmless bombs that, for humanitarian reasons, were equipped with long-exhausted batteries.

We cannot ignore the fact that people are scared. In coffee houses, in homes, in ministries, in factories, in the streets, they form small silent groups, reluctantly attempting to exchange views, to shed light on the extreme situation that has been created.

When the people can determine in good time where danger comes from, when they isolate it as something concrete, they follow their leaders and face it.

At this time a threat has been ascertained. An invisible threat, but one that has been denounced. Under the circumstances, if the leader doesn't quickly pinpoint it as a target, he loses his power as a leader. The masses which are always ready to yield to panic, are also always ready to acknowledge as a savior whoever eliminates panic and relieves stress.

The offhand conclusions, which do not come from behind the scenes, are that the KYP must return to its natural arena. To the Pentagon. And that it should be controlled by an inter-party committee, so that any aberrations can be averted in the future.

And that it was a mistake on the government's part not to clarify the situation immediately, decisively, but to choose to observe the clash between its services from on high.

12278
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POLITICAL

GREECE

GREEK-TURKISH UNDERSTANDING SEEN POSSIBLE, NECESSARY

Athens POLITIKA THEMATA in Greek 6-12 Sep 85 p 22

[Letter From E. Korthis, Athens Liberals' Club Secretary General, former minister: "Cooperation Necessary"]

[Text] A few years after the Asia Minor catastrophe El. Venizelos spoke of the need for cooperation with antagonistic Turkey and signed with Kemal Ataturk the famous friendship and non-aggression pact. Whereupon El. Venizelos was confronted with accusations of being a traitor. But history justified El. Venizelos. Don't you think that the leaders of the two nations should be reminded of the policy of those two great political leaders today, when Greek-Turkish relations are again undergoing a dangerous crisis due to the expansionist tendencies of Turkish foreign policy at the expense of Greece?

That the two nations, which have the same strategic interests and must live within the same international ideological framework, must forget once and for all their acute antagonism and develop a policy of sincere rapprochement and cooperation on all international political issues related to our area.

That there are no events justifying the upheaval in the relations of friendship and cooperation between those two nations, which are destined by history to live side by side, cooperating sincerely in order to survive.

The governments of both countries must have a single aim: a return to the foreign policy of El. Venizelos and Kemal Ataturk as regards Greek-Turkish relations.

12278
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POLITICAL

ICELAND

FOREIGN MINISTER ADDRESSES UN ON NUCLEAR ARMS, HUMAN RIGHTS

Reykjavik MORGUNBLADID in Icelandic 27 Sep 85 p 9

[Commentary by 'Staksteinar': "Armament and Peace"]

[Text] Foreign Minister Geir Hallgrimsson gave a speech at the 40th UN General Assembly last Tuesday. In his speech the minister, among other things, referred to the arms race and the role of the superpowers in reducing it. He also spoke about the prerequisites for permanent world peace: human rights, democracy and freedom. 'Staksteinar' today will publish two parts of Hallgrimsson's speech.

Arms Trade Triples

Foreign Minister Geir Hallgrimsson said, among other things:

"During the period 1960 to 1983 military expenses in the world doubled and at the end of this period amounted to 800 billion dollars. It is estimated that this year these expenses will exceed 1,000 billion dollars. In 14 years, from 1968 to 1982, international arms trade tripled. This well describes the situation and the increased speed of the arms race.

The arms race and the nuclear arms danger are an increasing concern to my nation and national assembly. Last spring, the Althing passed unilaterally a resolution to the effect "that it was imperative that the world's nations, especially the nuclear powers, reach an agreement about a mutual multilateral disarmament whose implementation would be safeguarded by international supervision."

It is, of course, mostly in the hands of the two superpowers to improve the prevailing situation. But unfortunately they have never come to terms. They have not succeeded in reaching agreements on limitation of armaments nor on the limitation of nuclear arms. It is obvious to everybody that a nuclear war may result in total destruction and that the total destruction capabilities of the so-called conventional weapons have now become so great that the limitation of such weapons is no less important.

We therefore ask repeatedly: how is it possible that the superpowers have not been able to reach a lasting agreement on disarmament, an agreement that would be of definite interest to both parties and in fact the whole human race?

Whenever any sign of results has been visible, however insignificant it has seemed, people world-wide have become hopeful that a compromise between the superpowers was just around the corner and that the first step has been taken in the direction of general and total disarmament.

This has, however, not proved to be correct. But why have these efforts to implement control of disarmament turned out to yield such slight results? Why did these negotiations become so unsatisfactory and limited? I am of the opinion that the main reason is that the Soviet Union did not want to agree to an effective and realistic armament control system.

Armament control is the nucleus of discussions on disarmament in this forum. Experts in this field are generally of the opinion that there is little or no hope in reaching any results on disarmament worth speaking of unless a realistic control is maintained over the main points of such agreements. I understand that UN specialists in disarmament and the Secretary General are also in agreement with this."

Prerequisite For World Peace

The foreign minister said a little later: "I hereby want to state categorical support of my government and the Icelandic nation to the ceaseless efforts undertaken by the United Nations to strengthen and secure human rights world-wide. Human rights, democracy and freedom are the intertwined prerequisites for the success of establishing lasting world peace.

"With the support of the human rights accords and other UN accords, the possibility has been created to begin a coordinated and international fight for improved human rights wherever it is needed. Violations of human rights are no longer internal affairs of individual nations as they were viewed for centuries. The great majority of nations has now obligated themselves to honor all provisions of human rights accords.

"People who live in countries where their fellow citizens are killed for political reasons, put in jail, placed in insane asylums or denied permission to emigrate or forced to become refugees, deprived of all human rights, may feel that such accords are invalid paper tokens. And we do indeed have full understanding of the desperation of these people.

"Now alliances of nations have the right to monitor the status of these matters in individual countries, to react to violations of human rights. These nations should definitely exercise this right wherever and whenever need be.

"One of the basic provisions of the UN charter is that individuals as well as nations have categorical rights of self-determination. All nations, especially those, however, that are still developing, need such rights to accept and reject, using their own judgment at will, without the intervention of others. They must also be free to cooperate and interact with nations of their choice and should never have to give in to pressure from larger and more powerful nations for cooperation they do not judge feasible. An example of this is the violent military invasion by foreign nations into Afghanistan and Cambodia."

9583
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POLITICAL

ICELAND

GROWING SUPPORT FOR PALSSON AS PRIME MINISTER FOUND

Oslo ARBEIDERBLADET in Norwegian 21 Sep 85 p 18

[Article by Alf Skaum: "Welfare State on Top of Volcano"]

[Text] Reykjavik (ARBEIDERBLADET):--Iceland is a volcanic country. Over 30 volcanoes have been active in historical times. Ten percent of the island's surface is covered by lava. As recently as last year new lava streams flowed out of a fissure, several kilometers long, in the northwestern part of the country.

But it is not only hot and boiling below Iceland's thin crust. There is also fermentation under the surface of the political life. To the tourist, the social and economic situation seems to be good. Iceland is a welfare state with a well developed net of social security systems and relief measures.

In Reykjavik, a hectic construction is taking place. The city is characterized by affluence with wide, well-regulated streets; stately official buildings and a lively business district. Of Iceland's 235,000 inhabitants, 86,000 live in Reykjavik. The population figure in Iceland has stagnated but the heavy flow of people moving to Reykjavik remains constant. In Reykjavik there are jobs for both the husband and the wife and there are nursery schools in abundance. Economically it is necessary for both the husband and the wife to have a paying job, especially in view of the high rent. In fact, all families have a car and a telephone. There are 400 cars for every 1,000 inhabitants in Iceland and 450 telephones for every 1,000 inhabitants.

There is one doctor for every 650 persons. The unemployment figure is slightly over 1 percent.

But a little about the other side of the coin. In a certain way it is possible to say that the Icelanders make their living by shaving one another. The service sector increases steadily, while the number of people employed within fisheries, agriculture and industry declines. Foreign debt is formidable, or about 62-63 percent of the national production.

Fish and the fishing industry accounts for 70 percent of Iceland's exports, and one-fourth of that goes to pay interest on loans.

Only 14 percent of those employed work in the fishing industry; 8 percent in agriculture and 17 percent in industry outside the fishing sector. The services account for 28 percent and trade 15 percent.

Jon and Sir Jon

Among the people it is said that the Icelanders are in the process of being divided into two nations. One is "Jon," the average wage earner, and the other is "Sir Jon," the nouveau riche. The distance between the two groups is steadily increasing. Never before have as many had to give up their houses as now, and never has there been more abundance of wealth within groups that operate businesses.

In the course of several years, the purchasing power has been reduced by 25-30 percent. This is in part compensated by the fact that people work much overtime in Iceland. Many also hold a part-time job as well as their regular job. During the 3-month long school vacation most of the students have jobs. In July Reykjavik's many parks are crowded with young people. Public buildings are painted, fences are spruced up; shops and service sectors are staffed by large numbers of young people.

But there is dissatisfaction within the ranks of the trade unions, the 64,000 members of Iceland Federation of Labor [ASI], over the declining standard of living and the fact that the nouveau riche are saving huge sums of money. Many people, however, understand that it is necessary to tighten the belt. But why not let the broadest shoulders carry the heaviest burdens?

Inflation Rampant

It is easy to get a loan in Iceland. The fact is that the banks receive full compensation for the price increases. The loans are automatically price-regulated to the rate of the drop in the value of the krona. When it comes to wages, however, it must be negotiated. This happens usually once a year, and at times twice a year. But the results are always that the wage earners must leave the negotiation table with only a partial compensation. On top of this is the fact that their loans increase at a full rate along with the interest and amortization burden.

No parties are willing to take the consequences of the economic catastrophe that is approaching at a rapid rate. And the government--which is a coalition of conservatives and agrarians--does not dare touch the positions of the nouveau riche. The inflation this year is estimated to be 25 percent. Three years ago it was 100 percent. In 1981, a monetary reform was implemented, resulting in the krona at that time being lowered to 1 ore. Now the new Icelandic krona is worth slightly over 20 Norwegian ore. The prices are not prohibitive by Norwegian standards. They are more or less at the Nordic level. And the selection of goods is definitely on par with what we are used to. When it comes to fashion, the Icelanders perhaps have the edge. It can be seen that the country is not too far away from the United States.

The NATO base at Keflavik provides jobs for 13,000-14,000 Icelanders and brings in 2 percent of the national production in wages. The Icelanders are reluctant to admit that the base has any great economic importance; they prefer to say that the base is in part to blame for the inflation development.

New Elections This Fall?

Most Icelanders will admit that the country needs a government with a stronger grip. The prime minister is weak and lacks authority both on the inside and the outside. The government can call for new elections with a 6-week notice. The opposition must therefore be prepared for the fact that the parties may get an election campaign dumped in their lap on a short notice. In the Conservative quarters this idea is rejected on the basis that an election would not solve any of the country's most serious problems.

Each government has an inherent instinct of self-preservation and nobody has a guaranteed return after the election. Within the Independence Party--which is Iceland's Conservative Party--there is more and more open talk that the party's chairman, the 38-year-old Thorsteinn Pálsson, should take over the leadership of a new government. He is known for his firm grip and talent to cut through the problems.

"The Fourth Estate"

It is said somewhat maliciously within the opposition that it is the large conservative newspaper MORGUNBLADID that controls the government. MORGUNBLADID reaches over 60 percent of all households in the country and is the only newspaper in the country with a solid economy and resources to maintain a large and well-oriented editorial staff.

Although the paper supports the prime minister's party, the government often receives reprimands for indecisiveness in the editorials. It is particularly noticeable that the paper is not very pleased with the Independent Party's coalition partner, the Progressive Party--not to be confused with the Norwegian and Danish parties of the same name. The Progressive Party is the party of the farmers and the cooperatives and is similar to our own Center Party in its political profile. Moreover, it is plagued with the same tendency to want to have its cake and eat it too.

Split Social Democratic Party

Iceland's Social Democratic Party has been plagued by a series of splits. Serious dissenters have crossed over to the People's Alliance which originally was formed by communists and splinter groups from the Social Democratic Party. The People's Alliance has been strong within the trade union movement and has been the dominating party on the left.

The Social Democrats did, however, have periodic spurts of progress in the seventies and in the 1978 elections it peaked with 14 mandates. The young deputy chairman of the party, Vilmundur Gylfason, especially deserved much of the credit for the party's progress. But before the 1983 elections, Gylfason broke away from the party and formed his own Social Democratic Alliance. They got 4 mandates in the 1983 elections while the Social Democrats received 6, or together the same total the party had before the split. Since then the Social Democrats have been declining steadily and last fall the party was down to 6 percent of the voter support at the political opinion polls.

The party congress took note of this and voted Jon Baldvin Hannibalsson its new chairman in November 1984. Since then Hannibalsson has trotted all over

the country and has given 100 speeches for the local party associations. The Gallup figures are favorable and are currently at 22 percent, or the same as it was at the election victory in 1978.

Some of the reasons for this are probably growing dissatisfaction with the government coalition and a certain indication of weakness of the People's Alliance, especially with regard to influence in the trade unions. It is said that the only thing that is holding the People's Alliance together is the opposition to NATO and that it is the only party supporting this, along with the small Women's List which has 3 seats in the Althing. Otherwise, the People's Alliance has been fairly conservative and has gone against proposals from the Social Democrats to nationalize the natural resources, i.e. primarily the hot springs that provide large portions of private houses, institutions and industry with energy, heating and hot water.

The Social Democrats hope to overtake the People's Alliance's role as the dominating party of the trade union organizations and wage earners and it puts its trust in Hannibalsson. In conservative quarters it is, however, maintained that the Social Democratic Party in Iceland is much more conservative than its sister parties in Scandinavia and that Hannibalsson is a star that will soon fade. Admittedly, this view indicates wishful thinking and only time can tell who is right.

Iceland's Most Powerful

Who is Iceland's most powerful person? The president, the prime minister, the Iceland Federation of Labor chairman or one of the business bigwigs? We posed this question to several politically well-oriented persons and amazingly enough received very similar answers. It is the Reykjavik City Mayor David Oddsson!

The city mayor is well to the right in Icelandic politics, but thanks to his folksy attitude and his sense of humor he has managed to gain popularity in wide circles. Reykjavik is in every way dominating in Iceland's economic life, politics and cultural life. Oddsson manages the city with a firm grip and is able to show a capital that is developing fast. The city is well regulated and has good communications and a highly developed public service apparatus. But even Oddsson must face it that his town--in the center of the affluence--has 2,500 nursing care patients on the waiting list, 800 of them bedridden at home cared for by their families.

The nouveau riche are not numerous enough to secure Oddsson's reelection. But he calculates--as usual, with a twinkle in his eye--that a conservative government will remain for the next 1100 years. That length of time is equal to that which has passed since Ingolfur Arnarson arrived from Norway and chose Reykjavik as the seat of the Norwegian immigration in the country of the steaming hot springs.

9583

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POLITICAL

NETHERLANDS

POLL ON PARTY PREFERENCE, CONFIDENCE IN LEADERS

The Hague ANP NEWS BULLETIN in English 3 Oct 85 p 2

[Text] The Hague, October 3—Some 48 per cent of Dutch voters believe the government to be formed after the elections next May should be allowed to alter a decision to deploy cruise missiles, an opinion poll showed last night.

The poll, conducted by the Interview agency for the Socialist VARA broadcasting association, showed that 41 per cent believed the decision should stand. The remaining 11 per cent were not certain.

The Dutch government is due to decide on November 1 to deploy Nato cruise missiles on Dutch soil before the end of 1988. Top cabinet ministers have said the decision is inevitable because the Soviet Union has not met Dutch terms for non-deployment.

These are that the Soviet arsenal of SS-20 missiles total 378 or less on November 1. At present Nato estimates the total at 441.

The question of whether the next government should be able to reverse or amend this decision is topical because the oppositive Labour party has pledged to try and do so if it is returned to power after the next election.

Until this week, arguments have hinged on whether a Labour-led cabinet would have authority to amend a treaty signed with the United States on deployment.

On Tuesday Dutch Prime Minister Ruud Lubbers announced the cabinet plans to regulate deployment through an exchange of notes rather than a treaty.

Among Labour voters, 69 per cent were in favour of changing the decision. For Christian Democrats the figure was 38 per cent and the Liberal voters 19 per cent.

The Poll also showed that more Liberal voters have confidence in Christian Democrat Prime Minister Ruud Lubbers than in their own party leader Ed Nijpels.

Asked which of the three major party leaders they had confidence in, 68 per cent of the Liberal voters mentioned Lubbers and only 62 per cent Nijpels.

Of all voters questioned, Lubbers had the highest confidence score of 46 per cent. Some 36 per cent had confidence in Labour leader Joop den Uyl, 27 per cent in Nijpels and 25 per cent in D'66 upcoming leader Senator Hans van Mierlo.

If an election were held now, the poll results would give a distribution of seats in the 150-seat Second Chamber of parliament as follows (September 1982 election results in brackets); Labour 59 seats (47), Christian Democrats 44 (45), Liberals 26 (36), Democrats '66 6 (6), other left 8 (9), other right 7 (7).

CS0: 5200/2518

POLITICAL

NORWAY

PAPER COMMENTS ON LABOR PARTY SPLIT REGARDING NATO MEMBERSHIP

Oslo AFTENPOSTEN in Norwegian 3 Oct 85 p 2

[Editorial: "Not Very Intelligent"]

[Text] No intelligent people are in favor of Norwegian withdrawal from NATO. This was stated by Storting representative Knut Frydenlund at a meeting in the Norwegian Home Defense Association recently. Frydenlund himself thereby said something intelligent.

On the other hand it was farther from reality when the former foreign minister almost excused himself because they discussed the obvious differences in meaning which dominate the Labor Party's security policy course. These conditions obviously contributed strongly to the election going so poorly in the Oslo area, and it was the same conditions which caused Haakon Lie to blurt out that he held his nose when he voted for the Labor Party.

We have previously had to point out that the security policy vagueness in the largest opposition policy is not a nonsocialist discovery. It involves concrete realities, based on what one reads in the party's program and what distinguished party representatives such as Einar Ford can bring themselves to say.

The reason for the meeting of the Defense Association was Haakon Lie's most recent book about the years when the Labor Party had an energetic leadership which put the country's vital interests ahead of considerations of party unity. Against strong inner opposition, Einar Gerhardsen, Halvard Lange and Jens Christian Hauge drove through Norway's ties to the Western defense alliance. Completely correctly, both Lie and the party's spokesmen point out that it was an epoch-making event, which protected our exposed position in the world and gave Norwegian opinion a sense of reality after generations of neutrality thinking.

The internal opposition in the Labor Party has not decreased as the years have passed. The new element in the situation is that one no longer clashes with irresponsibility, one places the party unity on high, and compromises through to the formation of programs which do not permit open debate. When

the lack of clarity is challenged, one need only hear from the party leadership that it was the Labor Party which brought Norway into NATO, and which has stood at the head of a responsible security policy through most of the postwar years. With this standard argument they try to create the impression that responsibility still rules today.

Knut Frydenlund is himself one of those who has kneeled before the unity line, and when he today describes it as not intelligent to agree with Norwegian withdrawal from NATO he has in reality precisely described the influential forces in his own party. No compromise can cover that over, and Haakon Lie speaks clearly when he refuses to believe that people such as Thorbjorn Berntsen are the opposite on the security question.

The meeting in the Defense Association was a good opportunity to discuss in a relaxed environment of the post-election the contrast between the leadership of the Labor Party in 1949 and conditions today. When that was not possible, it was because Knut Frydenlund, among others, was not willing to undertake the same sharp analyses and the internal struggles into which he was forced when he ruled a responsible foreign and security policy.

9287

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POLITICAL

NORWAY

MIDDLE PARTIES SEEK TO CAPITALIZE FROM SOCIAL POLICY EMPHASIS

Oslo AFTENPOSTEN in Norwegian 28 Sep 85 p 3

[Commentary by Lars Hellberg: "The Elections' Clear Socio-Political Address: All Government on Trial"]

[Text] The voters' dissatisfaction with the Willoch Government's socio-political achievements hits all three coalition parties with full force. The government's profile would not have been any more social with Kjell Magne Bondevik or Johan J. Jakobsen as social minister. So much so that when there has been disagreement about the size of the appropriations, neither Bondevik nor Jakobsen have joined Social Minister Leif Arne Heloe in the fight.

The sometimes confused debate about what conclusions the non-socialist parties should draw from the election results obviously make it necessary to note that it is the whole government that has received a punch in the nose. But it is not necessary to venture into the political wilderness to discover that the so-called middle parties are trying to make political capital of the weakness on the non-socialist front.

Off Center?

Just a few days after the elections Jakobsen drew the conclusion that a political reorientation is necessary, further defined as "a turning off-center in individual cases." He gave the impression that many things would have been different if the government's central point had been a little more to the left. It was mainly the local politics that the chief of the Center Party had in mind. But in principle he gave the impression of having the same way of thinking as lies behind the covert propaganda that the Christian People's Party should overtake the Social Democratic Party in order to clean up the social policies.

No Evidence

If one goes through the reports on government meetings and the more incidental joint group meetings, one will, however, not find any evidence that the statement that the social policy failure is to blame for the Christian

People's Party and the Center Party not being able to establish a convincing base for their views. On the contrary, one will find numerous examples and even indications of modest hints of adjustments that have been met with a demand for a corresponding concession for the departments the center parties control. In short, this fight has been a traditional war about departmental special interests.

There is an interesting exception to this rule. This episode involves the 1984 budget. At a joint meeting in the Foreign Ministry, Hans Olav Tunesvik announced that the Christian People's Party might consider supporting the necessary savings measures with the so-called waiting period to qualify for sick leave and a lower sickness benefit base. He received whole-hearted support from Center Party's Johan Buttedahl. The initiative was stopped by the Conservative Party and sponsored by Willoch and Heloe. Within the government the question has been raised many times.

Same Profile

This example does not offer the basis to dispute Tunesvik's or the Christian People's Party social conscience. But it illustrates that the political terrain is often more complicated than the mapping experts want it to be. In general, it must be maintained that the government's profile would not have been any more or any less social with Bondevik as social minister. The same applies to Jakobsen.

But there is a reasonable basis to indicate that it would have been easier to make a socio-political push forward a priority if Jakobsen had been less involved in defending his local political race horses in the Department of Transport. Whenever politics is a question of priorities, it does not solve any social problems that Bondevik might have been prepared to put higher sums at Heloe's disposal, provided, of course, that he himself would also get more on the Church and Education Ministry's budget columns.

This pattern that can be seen here is not characteristic for this particular government and there is no reason to be surprised that the three parties protect their own areas of responsibilities. Perhaps the division of roles might have been different with a different division of ministries. But the priorities, and therewith the results, would have been the same.

In order to illustrate this point it suffices to refer to the same tone of performances the party leaders exhibited during the campaign. Both during the big debate meeting in Skien and during the debate of the party leaders, Willoch, Bondevik and Jakobsen divided the roles between themselves in such a way that there never remained any doubt that they stood shoulder to shoulder in the defense of the government's policy. Nor could any discord be detected in their joint defense of the joint objectives in the long-term program.

In retrospect, when one is able to draw the conclusion that the government has not been on the offensive with regard to social policies, it is probably a factor that can be attributed to new efforts in the health and social sector. Conservative Party Chairman Erling Norvik has summarized this factor as follows:

"When the Willoch Government now must continue its growth policy, it will have to concentrate heavily on the health and social sector."

Joint Issue

It is fair to say that there should be an objective to join the government parties in a definite effort to find solutions to previously unsolved problems in this sector. Nothing of what has happened in the 4-year period we now have behind us gives us a basis for lofty speculations about how much more this or that party contributed to the setback.

The truth is that the three parties put a definite emphasis on restoring Norwegian economy. The slogan was growth and defense, in the recognition that economic growth is necessary in order to be able to secure today's welfare society as well as that of tomorrow. They have no reason to apologize for that. This has been successful to a great extent and is the most important reason that we today have the economic freedom of trade that is necessary in order to solve the urgent social tasks.

Pensioners

Both before and after the elections AFTENPOSTEN has expressed the opinion that at an earlier stage the government could have and should have been more accommodating with the pensioners. Furthermore, the joint government should have been more involved in solving many of the tasks within the health sector. Lack of involvement more than appropriations made it easier than it should have been for the Labor Party to blackpaint the situation and use scare tactics and say that the welfare society is in danger.

New Crisis?

No great fantasy is needed to see that an in-fighting, even if it never is limited to sheer covert propaganda, will create an intolerable situation for the government. The alternative is that the three parties accept the voters' judgment and jointly undertake the course adjustments which should be clear as day.

PHOTO CAPTION (Photo no reproduced)

There is no evidence for the assertion that the social policy failure is to be blamed on the fact that Kjell Magne Bondevik and Johan Jakobsen did not make a breakthrough in the government for the viewpoints of their respective parties.

9583

CS0:3639/7

POLITICAL

NORWAY

TRADE MINISTER ACTS TO ORGANIZE SOUTH AFRICA SHIPPING BOYCOTT

Oslo AFTENPOSTEN in Norwegian 4 Oct 85 p 52

[Article by Oddinge Skjaevesland: "Haugstvedt Initiative on Shipping Boycott of South Africa"]

[Text] Minister of Trade Asbjorn Haugstvedt has taken the initiative on conversations with his colleagues in the largest shipping nations with the aim of a united shipping boycott of South Africa. The first meeting will be with the Greek minister of merchant marine in 2 weeks. Thereafter it is planned to have conversations with shipping authorities in Liberia and Panama as soon as possible.

Minister Haugstvedt wants to find out the attitudes in these countries toward an eventual boycott of South Africa before Norway makes such a proposal in the UN. He has also previously had conversations with colleagues from other shipping nations, including the United States, Great Britain and Holland about this question. But when he meets the Greek shipping minister in the middle of October in Athens, that will be the first discussions of the issue since the state of emergency was declared in South Africa.

"Are the possibilities for a united boycott by the greatest shipping nations greater now than they were before the state of emergency was declared?"

"It is difficult to say, because some shipping nations want to reserve the right not to boycott. It seems that several regimes are critical, and that it might give an uncontrollable precedent if only South Africa were boycotted. But it is possible that public opinion will create greater possibilities for a united boycott today," replied Minister Haugstvedt. Such a boycott would also include the transport of oil to South Africa.

Panama Meeting

AFTENPOSTEN has learned that there may be discussions in Panama in November, but nothing has been agreed. There was a previous attempt to arrange a "South Africa meeting" between Haugstvedt and the Liberian shipping minister

in London. Since it was the Norwegian minister who asked for the meetings, Haugstvedt must expect to meet his colleagues in Panama and Liberia respectively. Liberia is the world's largest shipping nation. The country has 16 percent of all shipping tonnage.

Nordic Measures

The Council of Nordic Trade Unions (NFS) has requested a meeting with the Nordic foreign ministers when they meet in Oslo in 2 weeks to discuss Nordic measures toward South Africa. NFS demands, among other things, that the Nordic countries break off all trade with the country and that Nordic investments be drawn back. Furthermore NFS wants to stop all shipping to and from South Africa in Nordic ships.

Telemark Boycott

A survey by the Unified Council for Southern Africa shows that Telemark is the first county where all the municipalities have passed a resolution for a municipal boycott of South Africa. In protest against the apartheid policy of the country over 70 percent of Norway's municipalities have joined in boycotting connections with South Africa. Hedmark and Finnmark are closest to Telemark in clear municipal reactions.

9287

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POLITICAL

SWEDEN

COMMUNISTS SET OUT RIKSDAG ECONOMIC PROGRAM

Stockholm DAGENS NYHETER in Swedish 4 Oct 85 p 8

[Article by Kaa Eneberg]

[Text] The Social Democratic government's first step must now be to ensure that ordinary wage earners receive an increase in real wages. So says Kenneth Kvist, party secretary of the Left-Party Communists (VPK).

It is not fair that, as the nonsocialist parties intend, the coming economic squeeze should take away from ordinary wage earners, most of whom have already seen their incomes undermined over the past 10 years.

This weekend the VPK will hold its first party board meeting since the election. About 50 VPK representatives from all over the country will gather in Stockholm to analyze the election results and discuss the party's coming action in Parliament.

The election results mean that during this new term of Parliament, the Social Democrats will be even more dependent on the VPK for passage of their bills. Unless they choose to seek support from one of the nonsocialist parties.

Concern

Within the strongly individualistic VPK parliamentary group, there is concern over the new situation. Essentially, the group is delighted that its political importance has increased, but it refuses to view itself as being in the haulage business for Social Democratic government bills.

Some say that the government will have to "pay dearly" for Communist support on certain issues. It is expected that on some issues, the Social Democrats will have to seek support from the Liberals or the Center Party, for example.

One party spokesman says: "For example, we cannot imagine ourselves supporting an austerity package that might come up after the wage negotiations. We cannot oppose the demands of the union movement. The demand for real wage increases is also completely in line with the demands by Stig Malm, head of the LO [Swedish Federation of Trade Unions]."

Another says: "It will be sheer hell for us to cope with the government while also explaining to our own voters what we are doing."

So far the Social Democratic government has had purely informal contacts with the Communists in Parliament. Olof Palme and Minister of Health and Social Affairs Sten Andersson were seen charming VPK leader Lars Werner at the opening of Parliament, and Minister of Industry Roine Carlsson has been seen talking to Werner.

"This is a little like amateur boxing. We jab a little and try to get the feel for where we have each other," says Kvist, who says he does not approve of statements that the Social Democrats will have to pay dearly for the VPK's support.

"They don't have to pay a penny as long as they pursue a leftist policy and are not unfair to their own voters--as long as they do not betray the workers," says Kvist.

Snap of the Fingers

There has long been a desire in the VPK for more formal forms of cooperation. The party does not like to hear it said that the VPK comes running as soon as the government snaps its fingers.

"During the last parliamentary period, when we got certain demands accepted--an example being the reduction in the vehicle purchase tax--the situation was just the opposite. It was the Social Democrats who came to us after we had made our statements," Kvist said in a talk with DAGENS NYHETER at party headquarters on Kungsholm Island. Kvist, 41, is a party veteran who became party secretary last February.

Besides its demand for improvements in real wages, the VPK is also demanding of the government that steps be taken quickly to forestall the coming rise in unemployment. Kvist mentions the demand for a 6-hour day as a way of creating more jobs.

He also points out that during the election campaign, he was pleased with the statements by Minister of Finance Kjell-Olof Feldt--which the minister also made in a book--to the effect that the government strongly repudiated the idea of accepting higher unemployment as a means of holding inflation down.

"Hopefully for the future," said Kvist, who pointed out the whole time that the government is not pursuing a leftist policy.

Ordinary wage earners can receive an increase in real wages, for example, through a hefty drop in food prices and lower housing costs. The old VPK demand for elimination of the value-added tax on food is seen as a reform for the long term.

Kvist says: "We already have broad support for that demand among the people, and as a result of efforts to mold public opinion and other work outside

Parliament, perhaps we can create public opinion like that which has now forced the government to save Klara Lake."

Kvist, who has the temperament of a happy and laughing person, grows angry at talk that the Swedish economy cannot afford an increase in real wages for ordinary wage earners.

"We also feel that the budget deficit must be controlled and not allowed to expand just any way. But we feel that there is so much cash and wealth in this country that it is possible to reduce the budget deficit without attacking the finances of ordinary wage earners.

"Many people are already having a very difficult time. So the measures that are taken should be directed at that capital, which in fact was produced by the working people in this country.

"Liquidity is currently at an extremely high level in the firms. It is not fair that working people should first help create that wealth and then be hit by cutbacks when the state needs money."

Kvist admits, however, that "awkward situations might arise in foreign trade, for example," but says that "all austerity measures must be aimed at the place where the money is."

"Ordinary people have deficits in their housekeeping money, and the government is now going to have to choose sides."

Another subject to be included in the postelection discussion is the matter of why the VPK lost voters in big cities such as Stockholm and Goteborg. The election strategists were completely wrong in their calculations on this point. Werner himself was optimistically counting on big successes in the big cities. But the VPK's strongest district remains Norrbotten County, where it has 10.4 percent of the voters. But some progress was noted in such company towns as Finspang, Degerfors, Ludvika, and Dorotea. The party lost a total of 10,000 votes in comparison with the previous election. The vote for the VPK was 298,500. Kvist's own conclusion is that the party lost votes among salaried employees and picked up votes among the workers.

11798

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POLITICAL

SWEDEN

CONSERVATIVES REJECT CARL BILDT AS DEFENSE PANEL CHAIRMAN

Stockholm DAGENS NYHETER in Swedish 3 Oct 85 p 8

[Article by Sven Svensson]

[Text] Conservative Lennart Blom will be the new chairman of Parliament's Defense Committee rather than defense expert Carl Bildt. The Conservatives have decided that middle-aged politicians will occupy posts as chairmen on the various parliamentary committees.

Lennart Blom chaired the Justice Committee during the past parliamentary year, but has now taken over the Defense Committee without having been involved in that area previously. Carl Bildt is considered too young for the post, so instead, he will make himself more available to party leader Ulf Adelsohn. Bildt is also a member of the Defense Committee, which is going to require a lot of time over the next year.

As a result of its success in the election, the Liberal Party is getting a new committee chairman's post. Jurist Karin Ahrlund will succeed Lennart Blom as chairwoman of the Justice Committee.

Irritation

Considerable irritation has arisen between the Conservatives and the Liberal Party during the negotiations concerning committee seats and other positions of trust in Parliament.

The Conservatives feel that the Liberals are grabbing too much and that the Liberal Party has forgotten that the Conservatives were obliging following the Liberal Party's defeat 3 years ago. One spokesman for the Conservatives told DAGENS NYHETER sourly that cooperation in the middle with the Center Party is invoked when it favors the Liberal Party.

On Wednesday and Thursday of next week, the Conservatives will engage in self-examination following their election defeat by holding an enlarged conference that will include the parliamentary group and delegates from around the country.

One prominent subject for discussion will be ways to strengthen ties between the parliamentary group and municipal representatives. Municipal politicians took a severe beating over the unpopular cutbacks being proposed at the national party level, which included the elimination of state subsidies for children's sports and the handicapped.

Another subject will be future relations with the Liberal Party. Bitterness is conspicuous among many Conservatives because Bengt Westerberg came through the election campaign less scathed than Ulf Adelsohn.

A third problem will be how to handle the disillusionment caused by the election defeat. The Conservative Party's leadership is being criticized for behaving too optimistically in the campaign and regarding election victory as a foregone conclusion.

Only 1 out of 10

Last spring, for example, the Conservatives held an introductory course for members of Parliament whose election was regarded as certain. When the election results became known, it turned out that only 1 of the 10--Erik Holmkvist of Lulea--had really been elected. Holmkvist is succeeding Conservative veteran Per Peterson of Gaddvik, who did not run for reelection because of his age.

11798

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POLITICAL

SWEDEN

PSYCHOLOGY PROFESSOR ASSESSES PALME PERSONALITY, ACTIONS

Stockholm SVENSKA DAGBLADET in Swedish 8 Sep 85 p 3

[Op Ed article by Lennart Sjoberg, professor of psychology at Goteborg University]

[Text] The Swedish Constitution gives the prime minister very considerable power quite formally. It is he or she who appoints the other ministers, and the entire government resigns automatically along with the prime minister. There is no chief of state, as there is in many other countries, with a degree of influence (or, in countries such as Finland and France, great influence) on policy. The speaker of Parliament fulfills some of the duties of a chief of state while a government is being formed but otherwise plays a quite obscure role.

It is true that on paper, the king is Sweden's "chief of state," but he has no say in matters, and it is significant that the press often refers to the prime minister precisely as the chief of state, although he is not that in the formal sense--but probably is in the real sense.

Life or Death

Moreover, the prime minister is also party leader--and currently he is leader of the largest and traditionally dominant party. Swedish party leaders have come to play an increasingly important role because it is primarily they who get the attention in the mass media. A party leader's skill in debate and his personal charisma can almost mean life or death for a party, especially since the choice between socialist and nonsocialist policy is determined by such small shifts among the voters.

All of this means that a prime minister's personal behavior is of very great importance, first as regards the government's conduct and second as regards the political debate in the country as a whole. A prime minister who chooses aggression, lies, and half-truths as weapons in the political battle poisons the atmosphere for all of us.

In Any Situation

I am aware, naturally, that many people defend the current prime minister at all costs and in any situation that may arise. But the prime minister's tendency to take a relaxed approach to truth in tight situations is easy to document. In the Ferm affair, for example, he read part of the letter from Ferm on TV and gave the impression that he had read the entire letter, while in fact he had left out its important conclusion. A kind of half-truth.

Budget Deficit Misrepresented

The budget deficit in 1982 ("when we took over") was asserted to be 90 billion kronor, but in fact it was about 70 billion. The additional 20 billion came about because of the generosity of the Social Democrats themselves during fiscal 1982-1983.

Great indignation is being whipped up over the fact that the Conservatives want drug use to be made a criminal offense. It is being claimed that that is already the case, even though as recently as last spring, the Social Democrats stopped an attempt by the nonsocialists to make the consumption of narcotics a criminal offense (it is possession, not consumption, that is illegal). The list could be made into a very long one.

Most people probably remember the terrible fury over the Social Democratic election defeat in 1976. Aggression and the lust for power are expressed in scornful and arrogant behavior toward political opponents and other undesirables. The prime minister's considerable talent for demagoguery is put to good use in that connection.

Representatives of the business community are called "colporteurs of hate and spite" or "baboons." (Fantastically enough, the same person has warned us that "we must be careful with our words.")

Romantic Cult

He likes to make frequent visits to leftist guerrilla leaders and gives the impression during visits to their countries that he cultivates a sort of romantic cult of armed rebellion. He pursues an aid policy that favors receiving countries like Vietnam, whose militant posture is notorious. The most recent display of his attraction to theatrical militancy came last winter during the debate in Parliament over a vote of no confidence in the minister of foreign affairs. The vote on the reliability of that slipshod individual, who is obviously not knowledgeable about foreign affairs, in that role was turned into an issue of war and peace!

We are quite familiar with what it is like to be one of the prime minister's opponents. You are accused and slandered in all circumstances. There is no limit to your wretchedness. If you are not another Adolf Hitler, you are pretty close to it. You want to put pensioners out on the street, start a war with the Soviet Union, and other such things.

But what is it like to work under such a chief? What is the effect on the rest of the government, the parliamentary group, and the party? An outsider knows very little about such things, but one can draw certain conclusions based on the theory of psychology.

Group-Think in the Government

American psychologist Irving Janis has made a study of disastrous political and military decisions. He explains them by the tendency, under certain conditions, for a group to develop what he calls "group-think." The group sees itself as perfect and invulnerable. It ignores and explains away signs that it may have made a mistake. It sees itself as morally superior, which excuses a lot. It has stereotyped views of its opponents, who are viewed as too malignant to deal with and too unintelligent to be taken seriously. Divergent viewpoints are not tolerated, and there is a "low ceiling." Intolerance leads to silence, thereby giving rise to the illusion that everyone agrees. That certainly sounds like a description of the Swedish Government's method of operation.

The results of group-think are poorly thought-out decisions and insensitivity to signals indicating that matters ought to be reconsidered. In a business firm, the consequence is that the firm itself is harmed. In a government, group-think leads to disastrous mistakes for the whole country.

Among the factors creating group-think, we can mention a strongly dominant leader and a high level of stress combined with the fact that people feel that they have really had a choice.

Indebted for Their Positions

The current government therefore seems to be suffering from the malady known as group-think. There is undeniably a strongly dominant leader, and a high level of stress as well. Flexibility and new alternatives are not exactly plentiful in this government. The answer to all of society's problems is "more of the same," and what that means is more collectivization and higher taxes. Moreover, the leader selects and rewards loyal collaborators who lack a power base of their own and are therefore totally indebted to him for their positions, examples being the ministers of foreign affairs and justice.

Obviously, not all leading Social Democrats are conceited, power hungry, and mendacious. But there has developed a distribution of power making the party leader--prime minister tremendously dominant. And he is both power hungry and mendacious. He is also strong-willed and verbally talented, quick to make his will plain and quick to give all opponents and dissenters a lashing with his venomous tongue.

Continuing Year After Year

The remarkable--and frightening--thing is that this is allowed to continue year after year. Because I don't believe that the Swedish people really want

a prime minister with such a personality, just as I don't believe that the SDP [Social Democratic Party] is well served by having such a chairman.

The hypocrisy that started at the top now seems to be spreading to more and more people. If the prime minister can stand up in Parliament and lie all down the line about the country's economy, as he did last spring, the result may be that all sorts of things can be considered excusable for "the good of the cause." Statements are considered true or false depending on who made them and the political advantage to be drawn from them, not on the basis of their actual value as truth. The regime's opponents are being accused of worse and worse things. Step by step, we are drawing nearer to the point where Conservatives will be called fascists--see the prime minister's remarks about "the black international" or Sven Ove Hansson's current hate book in which he tries to associate the Conservatives with NATO.

Conservatives Vermin

We are entering a situation in which the Conservatives are no longer regarded as sound Swedish citizens but as some kind of vermin or "baboons."

The very idea of a nonsocialist government headed by a Conservative recently provoked the chairman of the Metalworkers Union into threatening chaos in the labor market. Leading Social Democrats and union bosses seem to think that the only legitimate power is one based on the SDP.

It is hard to explain all of this by reference to major objective difficulties or conflicts in Swedish society. Despite a certain decline in the standard of living (a rather large drop for some groups, including university people), we live quite well. The poison of lies that is spreading throughout society comes from above--from the very top, from the country's leadership. It is time to replace that leadership with a better one.

11798

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POLITICAL

SWEDEN

BRIEFS

FELDT NAMED TO BANK-IMF POST--Minister of Finance Kjell-Olof Feldt will be the new chairman of the Group of 10, or G-10, at the annual meeting of the World Bank and the IMF that will be held in Seoul next week following preliminary meetings over the weekend. G-10 is an informal group of finance ministers from 11 leading industrial countries: the United States, Japan, the FRG, Great Britain, France, Italy, Canada, Sweden, Holland, Belgium, and Switzerland. The chairmanship rotates among the members, with each serving for 1 year. [Text] [Stockholm DAGENS NYHETER in Swedish 4 Oct 85 p 9] 11798

CSO: 3650/16

7 November 1985

POLITICAL

UNITED KINGDOM

OFFICIALS, OTHERS REACT TO GORBACHEV ARMS-TALKS OFFER

London PRESS ASSOCIATION in English 2033 GMT 3 Oct 85

[By PA political staff reporter David Bradshaw]

[Text] Britain tonight reacted cautiously to Soviet leader Mr Gorbachev's offer of direct talks over nuclear arms reductions. The Foreign Office made no immediate comment but said the proposal would be studied carefully.

However, there seems little sign that the British Government will soften its insistence that the United States and the Soviet Union would have to substantially reduce their nuclear arsenals before cuts in Britain's nuclear deterrent were possible. Whitehall argues that as Britain's nuclear weapons total only 3 per cent of the world arsenal, the super-powers must come to an agreement over arms reduction first.

But Joan Ruddock, chairperson of the Campaign for Nuclear Disarmament [CND], said tonight: "Mr Gorbachev's proposal could signal the end of the nuclear arms race to the mutual benefit of East and West. The proposal to reduce the European missiles closely mirrors those put to the Soviet Union by a CND delegation last week. Our hope now lies in a positive response from President Reagan and the British Government."

Labour's foreign affairs spokesman Mr Denis Healey described the proposals as "very encouraging," because they broke new ground. "I hope very much that Margaret Thatcher will follow them up," he said in a television interview.

CSO: 5240/001

MILITARY

BELGIUM

INFANTRY STATIONED IN FRG TO ADAPT TO NEW EQUIPMENT

Brussels LA LIPRE BELGIQUE in French 23 Sep 85 p 5

[Article by Roger Rosart: "Belgian Infantry Lives on Hope: 'If only the Russians Don't Attack!'"

[Text] In January 1986 it will have fewer battalions in Germany than armored divisions and artillerymen.

A good part of the Belgian army has been in Germany for 40 years. First, in 1945, in the wake of the British and American armies; later, under an occupation statute; and, finally, by virtue of the NATO agreements requiring Belgium to cover a "front" of 60 kilometers beyond the Rhine. This mission devolves upon our first army corps, which has two divisions: the first, established in Belgium; the sixteenth, scattered beyond the Rhine. In peace time each of these divisions has two brigades. Furthermore, the army corps maintains its own troops and in particular the "covering forces," whose mission is to slow down the invader as far to the east as possible and determine his intentions.

We have just attended the manoeuvres of the seventeenth armored brigade (3,200 soldiers, 785 wheeled vehicles and 345 tracked vehicles) of the sixteenth division. What can one say about it? That morale is good, if you listen to this squad of cyclists of the second, soaked to the bone, or those gunners of the nineteenth mounted artillery, armed with their new 155 mm weapons--the M109 A 2 whose electronic equipment will again be modernized in the next few years. They will reach a range of nearly 20 kilometers, with shells more effective than today's, while the replaced 105 cannons could reach only 10 kilometers.

And the Infantry?

Beginning in January 1986, with the elimination of the antitank battalions, the first corps (peacetime) will be made up of eight infantry battalions (First Ardennes fighters, twelfth on the line, first and second BSe cyclists, first grenadiers, first carabineers, fifth on the line, and the Liberation battalion), against 9 armored battalions and 13 artillery battalions.

Thus, for the first time in our military history, there will be fewer infantry battalions than armored battalions. Is this a revolution?

Good Equipment

Should one conclude from this that the infantry is neglected? True, the chances of advancement at the officer level will be reduced (four fewer lieutenant colonel commanding officers). On the other hand, it is now equipped with new M113A1 vehicles and, above all, some AIFV (Armored Infantry Fighting Vehicles), sometimes equipped with a very sophisticated 25 mm gun, for the riflemen squads.

The first models of the AIFV reached the First carabineers at Bourg-Leopold. Some had doubts about the quality of this equipment, manufactured under American license by BMF. (Belgian Mechanical Fabrications S. A. It was preferable to ask the opinion of lieutenant colonel Wiame, commanding officer of the second infantrymen, someone who had used the M113A1 for more than a year. For him this vehicle performs well, the problems are very few, indeed, and of little importance.

But because of the weapons sophistication can the armored infantry squadrons still be commanded by reserve officer candidates out of the Arlon Infantry School after five months of training? General De Boodt, commander of the first corps, does not think so. In his view these squadrons should be led by active duty officers.

In each of the eight infantry battalions there will also be six JPK [Tank Hunter-Killer Companies] of the disbanded anti-tank battalions. That will greatly complicate the task of the commanding officers, who must also confront the training problem created by the change of caliber of hand weapons (F.N. and Minimini).

"If only the Russians don't attack us for the next four years!" a superior officer confided to us, since that is the time we need to adapt ourselves to the new transport system, the new armament, and to the new tactics (mounted and foot combat) derived from it.

"An Action Committee"

By eliminating the four antitank battalions, minister Vreven hopes to recover personnel to further strengthen infantry units. Such prospects are hardly taken seriously by the cadres serving "in the field." Where can you economize on personnel when "close combat" squadrons of the current J.P.K. companies were eliminated on a peace time basis because of the lack of manpower?

For all these reasons, but also with the aim of maintaining the effectiveness of the antitank units (that is, existing battalions), an action committee was created by retired servicemen and the clubs and associations of the eighth, ninth, thirteenth, and of the second infantrymen. The representative, Lieutenant Colonel Donckers, wrote to all the chairmen of political parties asking them to take a position, before the elections, in favor of freezing Mr Vevren's decision, and for a detailed study of the problem.

9772

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MILITARY

DENMARK

DEFENSE MINISTRY SENDS APPROPRIATIONS REQUEST TO FOLKETING

Copenhagen BERLINGSKE TIDENDE in Danish 17 Sep 85 p 9

[Article by Kim Barren "Engell Seeks 196 Million Kroner"]

[Text] Defense Minister Hans Engell (Conservative) submitted three appropriations requests totaling 195.5 million kroner for tomorrow's meeting of the finance committee.

The largest single amount is 173 million kroner for the purchase of various supplies and equipment by the joint defense forces over the next five years.

The defense minister plans to use 120 million on protective measures in connection with nuclear-bacteriological-chemical warfare, so-called ABC equipment, for the joint forces. Five million kroner will be used for ABC materials for the National Guard while the remaining 48 million kroner will be used on supplementary equipment and on modifications to the seven inspection helicopters left to the joint forces after the recent crash of the eighth.

The second request is for 19 million kroner for the erection of a new antenna tower and accompanying space for technicians to replace the old lighthouse at the joint forces' radio station at Dueodde on Bornholm.

The Danish Signal Corps has been stationed there since 1961, and technical developments have made a tower necessary if the Signal Corps is to continue to be able to carry out its duties satisfactorily.

Finally, the defense minister wants to buy five more rubber rescue boats for a total of 3.5 million kroner to be used at the Danish coastal rescue stations. Eight rescue boats were bought in 1984 and experience has shown that they are especially well adapted to the kind of rescue operations where larger rescue vessels are hampered by their deep keels or slow speed. So far, eight people in distress have been rescued in 1985.

The new boats would be placed in Sonderho on Fano, in Saeby, Anholt and Skagen and in Osterby on Laeso.

12819
CSO: 3613/206

MILITARY

DENMARK

BRIEFS

ABC WARFARE PROTECTION EQUIPMENT--The Folketing approved spending about 173 million kroner for the purchase of equipment and materiel for nuclear-bacteriological-chemical warfare. Yesterday, a majority in the finance committee approved Defense Minister Hans Engell's (Conservative) spending about 173 million kroner over 5 years primarily on the purchase of equipment and materiel for nuclear-bacteriological-chemical warfare--so-called ABC equipment. Only the Socialistic People's Party and the Radicals voted against. 120 million kroner will be used to buy ABC equipment and materiel for the joint forces, about 5 million to buy ABC equipment for the national guard, and about 48 million will be used to modernize inspection helicopters. After the meeting, chairman of the finance committee Svend Erik Hovmand (Moderate Liberal) said that the parties were primarily interested in the question of compensation purchases. "Of the 120 million, 60 percent will be manufactured in this country. The remaining 40 percent will be produced abroad but with full compensation. As for the remaining two items, the contracts have not yet been finalized, but we are seeking the highest degree of compensation possible," Svend Erik Hovmand said. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 18 Sep 85 p 11] 12819

CSO: 3613/206

FRANCE

BRIEFS

MILITARY COOPERATION ACCORD WITH ZAIRE--In Kinshasa last Saturday Zaire and France signed an agreement on military cooperation. It will enable Zaire to organize courses on a regular basis for nationals of Francophone African countries linked to France by cooperation agreements. These inter-African courses are intended to train officers and NCOs of the armored division with the participation of French military cooperation. Fourteen African countries are said to have already expressed their interests in these courses. [Text]
[Paris International Service in French 1245 GMT 4 Oct 85 LD]

CSO: 3519/006

7 November 1985

MILITARY

NETHERLANDS

BRIEFS

NEW SECURITY ADVISORY BODY--The Hague, October 14--A new government advisory council for peace and security was officially installed today, receiving its first commission from Defence Minister Job de Ruiter and Foreign Minister Hans van den Broek. The council, chaired by Amsterdam University Professor M. C. Brands, replaced the advisory commission for disarmament and international security affairs, which advised the foreign minister, and the defence affairs advisory council, which advised the defence minister. De Ruiter and Van den Broek asked the council to prepare an inventory of problems and developments in the field of conventional defence and the role played by new technologies and new tactical concepts. The two ministers said in explanatory notes that the Soviet Union had always had quantitative superiority in conventional forces, and in the last ten to 15 years there had been parity with the West in strategic nuclear arms. The mobility of Soviet military units had increased considerably. The Soviet Union was also studying 'operational manoeuvre groups', small modern units which could break through enemy defences in an armed conflict and carry out behind-the-lines military action, they said. Modernisation, and in some cases expansion of nuclear arsenals were leading to changes in the strategic relationship between the U.S. and the Soviet Union, as were changing views on the desired ratio of offensive to defensive systems. Such developments could have far-reaching consequences for relationships within Nato, relations with the Soviet Union, arms control and the Dutch contribution to Allied defence, they said. [Text] [The Hague ANP NEWS BULLETIN in English 15 Oct 85 p 1]

CSO: 3600/9

MILITARY

NORWAY

UK SOVIET SPECIALIST: NORWEGIAN SOLDIER IMPRESSIVE TO USSR

Oslo ARBEIDERBLADET in Norwegian 19 Sep 85 p 13

[Article: "Ivan Impressed With Ola"]

[Text] Bergen--Disciplined and competent. Has the ability to act independently. Invincible in extreme cold. The Norwegians are better than we are.

This is what Chris Donnolly, director of Soviet Studies at the British War College for Army Officers, says. Donnolly has studied open Soviet sources.

To the Russians, the Norwegian soldier appears as a 3-meter tall warrior. The desire to defend is great. The Norwegian soldiers have much initiative and are able to operate independently. They are hardy and they tackle difficult situations with ease. The Russians are also used to cold weather but not the raw cold along the coast. In general, the Norwegian soldier surpasses the Russian soldier. The Russian soldiers get this Norwegian image from the newspapers, among other things.

The Russians have collected detailed informations about the Norwegian defense. Mobilization of forces, equipment and exercise patterns are described in detail. The Norwegians view field exercises as important and the soldiers are trained to operate independently or in small groups. There they are separated from the main forces, without fire support and with minimal provisions. The Russians, on the other hand, keep strong control of all units. The nature of the discipline is such that the Soviet soldiers are good war machines but do not function very well in small groups.

"I am not surprised that the Russians are impressed with the Norwegian soldiers. NATO and the Warsaw Pact exchange observers at their respective exercises. The Russians have seen the Norwegian soldiers operate and it is clear that they have gotten a good impression," says Commander Kjell B. Ivarsen, chief of the School for Divers and Frogmen at Haakonsværn. He is pleased with the good advertising the Russians' opinion provides for the Norwegian soldiers.

9583
CSO: 3639/13

MILITARY

NORWAY

DEFENSE LOBBY GROUP CLAIMS HIGH VOTER SUPPORT FOR NATO

Oslo AFTENPOSTEN in Norwegian 7 Oct 85 p 10

[Article: "Defense Association on This Year's Election: Over 90 Percent Support NATO"]

[Text] More than 90 percent of the voters in the Storting election on 9 September gave their support to parties and representatives which support NATO and Western defense cooperation, according to a statement from Norway's Defense Association.

The Defense Association maintains with satisfaction that parties which represent the main weight of the Norwegian people made it a part of their platforms before the election to fully support NATO and the Western defense cooperation. More than 90 percent of the voters gave their support to parties and representatives which had obligated themselves to this goal.

Solidarity in defense cooperation with other democratic states in the Western world has been a cornerstone in our country's defense and foreign policy since 1949. The annual opinion polls by People and Defense on Norwegians' viewpoints on these questions have clearly documented overwhelming support for this policy, said Norway's Defense Association.

On this basis, Norwegian political authorities can advance the basic main points of Norwegian defense and security policy in the certain knowledge that the dominant majority of the Norwegian people support such policy.

9287
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MILITARY

NORWAY

DEFENSE RESEARCHER: FORCES NEED NEW PROCUREMENTS, MODERNIZATION

Oslo AFTENPOSTEN in Norwegian 27 Sep 85 p 16

[Article by Norwegian Defense Research Establishment Chief Ragnvald H. Solstrand, Kjeller: "Authorities' Political Decisions: 'Proper Time Perspective Important in Defense Debate'"]

[Text]

Anyone who wants to have opinions on how to govern, should understand the inner dynamics in the process he wants to affect. This rather simple truth does not to have any particular impact on most of our public debates. The results of what our political authorities decide today are often noticeable 20 and 30 years hence. This is how it is within most of the public sectors whether it involves health and social services, the transport sector or the Defense Force. Despite all this, most people--the voters-- have a strong tendency to demand results overnight. A government will therefore easily be judged solely by what happens in the course of a short term in power, despite the fact that most of what happens is a carry-over from previous governments during a long period.

In an AFTENPOSTEN article 16 September of this year, John Berg talks about many of the management problems in the Defense Forces with reference to, among others, an article by the undersigned in Norwegian Military Magazine No 3, 1985. This article discusses difficult and important special problems and therefore deserves attention both in military and political circles. But unfortunately, Berg's political analysis is characterized by the same short-sightedness that mars much of the public debates. I do not view this as very constructive and will therefore attempt to contribute a slightly more correct picture of the planning situation of the Defense Forces today.

Today Defense Forces are faced with several isolated problems--all of which are individually important--in adapting the peace activities to the limiting conditions prescribed by developments of society. The shortage of experienced fighter pilots is one such special problem; adjustment to the working period decision prescribed by the Work Environment Law is another. Each of these problems is important. However, they must not be put aside by the Defense Department's priority planning problem in the longer-term view, namely the question of whether there is today a correlation between our superior objectives to maintain a Defense Force of a certain size and quality on the one hand and our actual appropriations for operating and modernizing the

Defense Forces on the other. This is the problem I take up in my article in the Norwegian Military Magazine.

It would be too much here to get into all the data and prerequisites that must be laid as the foundation for calculating the resource needs of the Defense Force, taking a 15-year view. These resource needs are the consequences of the plans to develop the Defense Force's composition and activity. It is especially difficult to compare the calculation for resource needs today and the resource needs calculated 10 years ago for another long-term plan and under other prerequisites.

However one tosses or turns this issue, it is difficult to get away from the fact that today the Defense Force has a great need to modernize and acquire new materiel that has not been met. The readers might interpret John Berg's article in a way that this unmet need is essentially to be blamed on the government's contribution to the Defense Force not having been so deserving during the last 4 years. This, however, has very little to do with the real situation. The time constants in this process are totally different. Large portions of the materiel the Defense Force received in the middle of the seventies through our weapons assistance from The United States was free of charge or at considerably reduced prices. But the life of military materiel is limited, and during the last 10 years the Defense Force has had a great need for new acquisitions which have only been partially met. This is due to the simple fact that the oil nation Norway has received very little weapons aid, while we ourselves during the period 1960-1975 have not sought to increase the investment share of our defense budgets so we would be prepared to meet these huge needs for new procurements.

I think that here we have basis for a certain criticism of our governing authorities that authorize grants. It should have been possible during these 15 years, assuming there was a political will, to adjust the extent of the defense budget up to a higher level. If such a political will was not present, clear signals should have been given to that effect, so that the professional military authorities could adjust the extent and activities of the Defense Force gradually down to a level that fit the resource framework.

During the sixties and the seventies, our authorities did not succeed in acquiring such a balance between objectives and means. The consequences are that today the Defense Force is struggling with a difficult planning position which unavoidably will take a long time to overcome. In this connection, 4 years is a very short time.

The reasons that lie behind the fact that we are in this situation are many and complex. There has, however, not been any lack of warnings that the problem would arise. As early as 1963 the Chief of Defense at that time expressed great concern about the "vacuum after the weapons aid" in a report to a Storting review on Defense Force measures during the period 1964-1968.

Here we are possibly zeroing in on the nucleus of the problem that should involve the common people, media men and authorities alike. What are the weaknesses in our public planning and administration that allow such a dominating problem--despite the fact that it is recognized and understood--to

be allowed to remain unsolved for such a long time during shifts in political conditions? If this could be determined, we will have laid the groundwork for a more objective administrative system for future responsible authorities. If the public debate about our defense problems is to make a constructive contribution in this connection, we must all strive to give the debate the proper time perspective.

9583

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MILITARY

NORWAY

NORTH NORWAY SERVICE BRANCH CHIEFS CITE READINESS WEAKNESS

Oslo AFTENPOSTEN in Norwegian 7 Oct 85 p 5

[Article by Liv Hegna: "Chiefs of Service Branches in North Point Out Command Shortages: Deficiencies Threaten Readiness"]

[Text] Personnel shortages are affecting the different branches of the armed forces in varying degrees. In certain areas preparedness is significantly weakened, while in other areas there is concern for the endurance of the forces in the event of war. The Supreme Command of the Norwegian Armed Forces, with the chief of defense at its head, has the responsibility for obtaining sufficient forces to maintain preparedness. AFTENPOSTEN discussed the situation with the three chiefs of the service branches in North Norway.

Major General Martin Vadset, Major General Odd Svang-Rasmussen and Rear Admiral Torolf Rein are all responsible for the respective branches of defense in that part of the country. They agree on a number of common problems: It must be made more attractive to serve in North Norway. Among other things the standard of military living quarters must be raised. Lower rent could be a special advantage for those seeking service in the north. In addition the staffs in Oslo must have a better idea about how the new command arrangement is working in practice. Reduced service time for personnel is another common problem for the service branches. But there are also special problems:

Major General Odd Svang-Rasmussen: "The air force is now as good as purged of staff officers. Leaders between the lieutenant colonel level and experienced majors are our greatest shortage. The air force is in a crisis when it comes to this category of officers. We must now force younger people up into positions of leadership. It is unfortunate."

National Control

"When Norway receives allied help in a crisis situation it is of national importance that we have people who can lead the fight. We can be in danger

of losing our national control. Nobody wants the allies to lead the Norwegian air forces, either in peace or in war. If we have so few aviators that we must ask allied fighter squadrons to be stationed in Norway in peacetime that would challenge our base policies, and nobody wants that situation. The current aviator crisis was built up over the years, and now it is at a peak. I expect that we will be able to rebuild the force from the ground up, but it is catastrophic that we are lacking leading aviators."

Svang-Rasmussen believes that part of the personnel crisis in the control and warning chain is due to changes in connection with the new radar plan: "It is a misunderstanding that Kautokeino was shut down just because of a personnel shortage. The air force is in the process of phasing in new, modern material which is better protected against attack, has better technical performance and is cheaper to maintain. These new stations are under construction in Rogaland, on Stad and in Lofoten. Later the air force will build more. When this type of change takes place it means that we must move personnel. But we also have the political duty to cut down the numbers. And technical personnel are our great shortage. When we continuously cut down on manpower we come to a point when they are so overloaded that they decide to go over to better-paid civilian jobs."

Technical Personnel

Svang-Rasmussen is even more concerned about the lack of technical junior officers in the squadrons: "If we cover all the aviator positions we will still not have them all in the air because of the lack of ground personnel. In Norway, if an active flier transfers to staff service, he goes down in pay. Now that flying pay is to be strongly increased, this transfer will be even more difficult," said Svang-Rasmussen.

Major General Martin Vadset: "At the troop commander level the army needs more junior officers with experience. It is the contract junior officers which give durability to the defense forces on the readiness level. There are too few positions for us to offer jobs to those who want them. The forces are thereby losing the opportunity of utilizing the experience that these junior officers have acquired.

"If we look at the budgets over a number of years we see a systematic abolition of positions. This development was stopped in 1985. Then 100 positions were to have been saved, but we were notified of the opposite. If that was a signal of a new personnel policy in the defense forces, we are moving in the right direction," said Vadset.

He denies that the army has a bad personnel policy. They are trying to make their way forward between cuts, and give priority to the most important parts. "Theoretically one can solve a personnel problem in one place by moving people around, but that is just moving the problem around."

The Main Problem

Vadset believes that the main problem for the army is the personnel shortage in the established units. "We are trying in vain to solve it by putting together schools and training units so as to save positions. But that is not always a rational solution. I believe that we must have political understanding that when expensive material is purchased we must take care of it in the best possible way."

Major General Vadset says that the manning tables for the units in North Norway are too small: "The standing units must be a certain size so that soldiers for the mobilization army will be trained in the proper way. We must have money to train soldiers. In the past 2-3 years the resources have been too small," said Vadset, who also believes that the budget is loaded with "goodies," for example five or six trips home for the soldiers without appropriating any extra funds for this purpose.

As for the introduction of the working environment law in the armed forces, Vadset believes that there were two ways to go, either bring in several hundred junior officers or pay compensation over the budget. "Neither of these took place, with the resulting consequences for the armed forces as a whole," said the commander of the ground forces in North Norway.

Rear Admiral Torolf Rein: "The situation for the navy is that we are often in a strained personnel situation. The navy has learned to live with a relatively large number of permanent vacancies."

Security Margin

However the framework for the key positions is also marginal. If any of them are taken away it makes an immediate impact, said Rein. He maintains that it is not correct as it has been reported by certain of the media, that they have jeopardized safety several times in the navy. "We do not steam when we do not have a reasonable margin of security on the personnel side," he said.

Rear Admiral Rein points to a number of critical personnel shortages in the staffs both in the North Norway Defense Command in Bodo and in the naval districts. As for the coast artillery, they are in good shape according to Rein.

"In summation, I believe that the personnel situation for the time being has not affected readiness. I should also say that steaming ships with somewhat reduced crews can have consequences for combat endurance over an extended period. But we must not forget that we have a reserve in the personnel who are taking courses at any time. In case of a real crisis they would be mobilized," said Rear Admiral Rein.

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MILITARY

SWEDEN

WESTERBERG'S VIEWS ANALYZED AS LIBERALS' INFLUENCE GROWS

Stockholm SVENSKA DAGBLADET in Swedish 30 Sep 85 p 2

[Commentary by Fredrik Braconier]

[Text] In recent years the security policy debate in Sweden has been held primarily between the Conservatives and the Social Democrats. This was quite natural in view of the balance of forces in Riksdag. The Conservative Party was the leading opposition party and it also had growing public support in the opinion polls.

The election results have partially changed these premises. The Conservative Party is still the biggest nonsocialist party by a wide margin, of course. But the party can hardly aspire to the same dominant position it has had for the last 3 years.

Thus the foreign and security policy discussion in the upcoming election period will be colored to a greater extent by the Liberal Party and Bengt Westerberg, who can ride on the groundswell of future expectations, at least for the moment.

Where does Bengt Westerberg stand on these vital issues?

Here, as in other areas, the old Liberal Party under Ola Ullsten had difficulty maintaining a fairly clear and consistent line. The effort to stay relatively close to the Social Democrats led to hazardous course changes at times.

In a foreign policy debate Foreign Minister Ullsten was capable of expressing skepticism about a nuclear weapons freeze one year and criticizing the Conservatives the next for holding the same views. In the space of a few minutes in another Riksdag debate the Liberal Party leader quickly modified the government's standpoint on the zone issue when the Social Democrats took the offensive. In June 1982 the middle-party government's defense alternative won in Riksdag with the help of Conservative votes. When the Social Democrats cut the defense budget after the government changed hands, the Liberal Party backed the cuts. The lower funding in combination with the changes in the exchange rate of the dollar later created an acute economic crisis for the defense system.

Bengt Westerberg has displayed a different and more straightforward profile both in theory and in practice. He took exception to Ola Ullsten's support of the government's unprecedented attack on Carl Bildt in May 1983. In the 1984 defense talks he firmly rejected a tactically worded government proposal that linked some increases in the defense budget with aid to developing countries.

"The government has put on a distressing charade," was Westerberg's public comment on the behavior of the Social Democrats.

Bengt Westerberg has dealt with Sweden's security policy situation in several major speeches. The speeches gave the impression of having been written with great care and Westerberg has also enlisted the help of some experts.

One of them is political science professor Kjell Goldmann, who discussed Swedish neutrality and the submarine incidents in a most irreverent way a few years ago on SVENSKA DAGBLADET's debate page.

Goldmann asked among other things whether neutrality policy has actually become all too believable.

"The Soviet Union seems to take it for granted that our traditional non-alignment will be maintained no matter what the provocation," he wrote.

Naturally a Swedish party leader cannot express doubts like this. But Bengt Westerberg has not kept quiet about the submarine incidents themselves.

"We are doing both neutrality policy and Nordic stability a disservice if we try to downgrade the importance of past and present intrusions," he said in this year's foreign policy debate.

Bengt Westerberg also speaks out clearly where the Soviet Union is concerned. In the foreign policy debate this spring he said that Sweden should never forget that power in the Soviet Union lacks roots in the people. The Liberal Party leader has categorically rejected the type of wishy-washy argument that often shows up when the Social Democrats are writing the script. In a speech in Vannersborg in November 1984 Bengt Westerberg said:

"But we have never subscribed to any theory to the effect that one side is as bad as the other in our view of the world's major powers. The democracy and openness in the American society have been a source of inspiration and hope for peace in the world. The dictatorship model and the closed nature of Soviet society alarm us.

"We in Sweden belong to the democratic world and share its assessment of human worth and freedom."

Other basic elements in Bengt Westerberg's security policy view are that the importance of defense as far as neutrality is concerned has increased and that Sweden must strive to maintain the balance in our part of the world. He has brought up the latter point in association with the conditions needed

for a Nordic nuclear-free zone and other arms control projects. Sweden has no interest in measures that involve advantages for only one of the power blocs in our part of the world, Westerberg pointed out in his first major security policy speech in May 1984.

In that speech he demonstrated considerable skepticism with regard to the zone plans:

"Zones of reduced armament levels or nuclear-free zones in Europe will not be possible until there has been a change for the better in the current climate of harsh confrontation and a situation in which both superpowers seem to feel their interests are best served by maintaining this climate. Arms reduction arrangements of lasting importance for security policy are a result of relaxed tension rather than the other way around."

It is hard to find any great conflict in this argument with the views advanced by the Conservatives, for example. This should provide a good basis for a continued united nonsocialist profile on important security policy issues resembling the conditions that prevailed in the defense deliberations in early 1984 and in the vote of no confidence in Foreign Minister Bodstrom a year later.

A similar unified profile will undoubtedly be needed when the future of the defense system is decided in the 1987 Defense Act. Experience has shown that modern Social Democrats are unwilling to put more resources into military defense. Bengt Westerberg will need to remain on the barricades when this battle takes place.

6578

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7 November 1985

MILITARY

SWEDEN

DEFENSE MINISTER THUNBORG ON SOVIET INCURSIONS

PM071305 Stockholm SVENSKA DAGBLADET in Swedish 29 Sep 85 Section Three p 3

[Interview with Anders Thunborg, Swedish defense minister, by Omar Magnergard: "Admit It, I Have Often Said to the Russians"; date and place not specified]

[Excerpt] [passage omitted]

SVENSKA DAGBLADET: We are still not masters of our own waters against intruding submarines?

Thunborg: No, we have a long coastline. However, for our most sensitive areas, around our system of naval bases and the like, we are beginning to have reasonable protection. But the submarine affairs have been extremely frustrating, I admit. It is not that there has been a shortage of money. But there has been a shortage of technology, ideas, and competent personnel.

SVENSKA DAGBLADET: Karlskrona in the spring of 1984. Foreign divers on Swedish islands. Newly recruited soldiers firing live ammunition. How does a defense minister feel in such a situation?

Thunborg: I was in the United States part of the time--but I was prepared to travel home immediately. It was not a mistake for the guys to shoot. Nor has it been wrong of the commanders of ships to drop depth charges when they have had positive readings on their instruments. Their only chance has been to strike directly. Rebuilding antisubmarine defenses is very difficult and requires time and patience. Bells are always ringing in the detection systems. That is why we must build up our own "sound library." But for there to be any point in this we must have the natural sounds--so that we will be able to distinguish them from the "unnatural." We must have hydrophone operators with a musical ear almost... In over 90 percent of the cases in which we have used arms subsequent analysis has shown that the object was something else. It is also important to find a method of sorting all the tip-offs. The Armed Forces commander in chief [OB] has received 3,000 reports of "foreign submarines." He himself says that in 20 to 40 cases it must have been submarines. But unfortunately we do not have sufficient evidence to establish nationality. The percentage of mistakes among tip-offs is great--in most cases what people have thought to be submarines have instead turned out to be shoals of fish, logs, seals, leaking underwater pipes, and the like. We are still not good at hunting

submarines. But we are better than we were just a few years ago. We have different tactics. Personally, I do not regret anything we have done to protect ourselves against foreign submarines.

SVENSKA DAGBLADET: It is said that the other side deploys lots of submarines at various places along the Swedish coast at one and the same time.

Thunborg: There are such suspicions.

SVENSKA DAGBLADET: Have the violations meant that the Armed Forces have been forced to move command centers, mobilization stockpiles, and the like from the archipelago to safer places further inland?

Thunborg: I do not want to go into that.

SVENSKA DAGBLADET: You and the ministry have been accused of collusion with the OB.

Thunborg: A ridiculous accusation. The whole time during the submarine violations I have been asking the OB: What is the truth? It is he with his responsibility as a servant of the state who has to get the facts. I am in contact with him the whole time. But we are not in each other's pockets because of that. I am happy that we have separate areas of responsibility between the military and the political leadership. It is the OB whose task it is to report and analyze when something has happened.

SVENSKA DAGBLADET: What is your assessment of the threat to Sweden today--is it unchanged, or is it increasing or decreasing?

Thunborg: The peace threshold is still high in Europe. For anything to happen, something political must happen first. The political advance warning of an outbreak of war is there--as is the military advance warning. Take the Murmansk base, for example. If people want to start a war from there they will have to move many more soldiers up there from the Leningrad and Moscow regions. If Murmansk is to be defended, soldiers will also have to be sent there.

SVENSKA DAGBLADET: Recently SVENSKA DAGBLADET published a series of articles about the East's subversive activities. Readers telephoned and wrote, asking: Do we have a chance?

Thunborg: Our readiness is good. And the danger of war in Europe is not great. If something terrible were nevertheless to happen, I think that our defense efforts are sufficient--if we have mobilized. The most important question therefore is: Will we make the right decisions at the right time?

SVENSKA DAGBLADET: Were you surprised the other day when the Soviet Union admitted the airspace violation?

Thunborg: Above all I was happy. We think that it is strange that the Soviet Union cannot treat us the way other countries do. Britons, Danes, West Germans, Americans most often admit their violations. They asked forgiveness and explained why they have ended up in our airspace. We have, after all,

excellent evidence from our radar stations. The Soviet Union also has radar stations. In the past, they have belatedly admitted violations by some research ships [professorsfartyg]. But in the air they have in the past not admitted a thing. Take the serious case last summer when a Russian aircraft shadowed a passenger aircraft at different altitudes deep into Swedish territory. The Soviet Union does not deny the incident. It replies that the allegations we have leveled against them "cannot be confirmed after careful investigation." Such an attitude irritates me.

SVENSKA DAGBLADET: Have you told the Russians this?

Thunborg: I know some of them. "Hell, what are you up to? Admit it instead." I have said that to them many times.

SVENSKA DAGBLADET: And how is the JAS?

Thunborg: Well, thank you. We expect to have the first plane in the air in 1987.

SVENSKA DAGBLADET: In opposition the Social Democrats said "no" to the JAS, back in government in 1982 they said "yes."

Thunborg: That is correct. I am happy that after careful analysis we reached the decision on the JAS. That was the first thing I had to tackle when I became defense minister.

SVENSKA DAGBLADET: What do you think of Maj Britt Theorin? [Sweden's special envoy for disarmament affairs]

Thunborg: As a private individual she is totally charming. But I myself do not for an instant believe in unilateral Swedish disarmament. But I do agree when she talks of internationally balanced disarmament.

SVENSKA DAGBLADET: You must have felt the tension between Olof Palme's international ambitions and Lennart Bodstrom's interpretations of Swedish foreign policy.

Thunborg: Not at all. Palme has been a great support on the JAS issue, in the stances taken against the Soviet Union after the submarine incidents, in the four-party agreement on defense in the spring of 1984, and at the party congress in September 1984. And I have never exchanged a cross word with Bodstrom.

SVENSKA DAGBLADET: Throughout the seventies and up to now there has been an overall pruning of Sweden's defenses.

Thunborg: Yes, that is to some extent true, but it depends on how you make your comparisons. Do not forget that we can still mobilize 850,000 men, that our material is still of high quality, and that Sweden is one of the few countries in the world developing a new combat aircraft of its own. The 1984 four-party agreement also represents a break with a preceding trend. What is important now is that we continue to put our house in order, in order to be able to reach the objectives contained in the 1982 Defense Bill.

SVENSKA DAGBLADET: Is the Swedish military good at its job?

Thunborg: It is getting better and better. We have a new generation of officers working now; in the past we have relied on those who were young during World War II. The military profession constantly faces new challenges. We must have good troop trainers and arms experts. But we must also have responsible officers with a broader outlook.

SVENSKA DAGBLADET: Are you disappointed that estimates were so wrong after the 1982 Defense Bill?

Thunborg: A bad basis for decisionmaking was presented, and this meant that some purchases were twice as expensive as people had thought. Such carelessness cannot be tolerated. There must be realism in costing estimates too.
[passage omitted]

CSO: 3650/24

CARL BILDT REJECTS CHARGES MADE IN MYHRBERG BOOK ON SUBS

Stockholm SVENSKA DAGBLADET in Swedish 2 Oct 85 p 3

[Op Ed Article by Carl Bildt]

[Text] Carl Bildt is a Conservative Riksdag representative and served as the head of the Submarine Defense Commission.

There is a small group of people who will never be able to fit the Soviet submarine violations of Swedish territory into their view of the world or their political perspective. Consequently they are forced to devote a lot of energy to an attempt to prove to themselves and others that the truth is really a lie.

Journalist Anders Hasselbom wrote the book "Submarine Threat" several years ago. In it he tried to "prove" that there had not been any Soviet submarines in Harsfjarden but that there were many indications that NATO subs had been in the vicinity.

Missed the Mark

The Hasselbom barrage against the Submarine Defense Commission missed the mark completely. The few "facts" turned out to be erroneous and in general the book consisted mainly of anonymous rumors, which further reduced its credibility.

Apparently it is now time for a new attempt to sink the Submarine Defense Commission and its report. Freelance journalist Ingemar Myhrberg has published "Submarine Waltz" and this book also forms the "factual basis" for communist film-maker Maj Wechseltmann's film on the subject, which was financed by Swedish Television.

What Myhrberg has to say about the incident when Soviet sub 137 ran aground in Gasefjarden in October 1981 is a familiar recital. Here he continues the fruitless debate he has conducted before, primarily on the debate pages of DAGENS NYHETER--without finding anything new to say on the subject.

Deserves Comment

Instead he has chosen in this book to place his main emphasis on a critical examination of the so-called Harsfjarden incident in October 1982 and it is on this topic that his book contains some innovations in the argument that deserve some comment.

Myhrberg totally rejects the work and conclusions of the Submarine Defense Commission. Throughout most of the book he says there were no foreign submarines in the area at all. But his dismissal of all the observations noted by the commission is weakened by statements in several places that if there were any submarines there they must have come from NATO.

The Submarine Defense Commission based its conclusions on a very extensive body of material. Due to the nature of the case not all of it could be made public.

However the commission's report noted four reliable observations which in turn were supported by a series of observations and indications that would not have the same degree of reliability if they were taken in isolation. One of them was an optical observation, one was both optical and hydroacoustical and two were hydroacoustical.

Myhrberg rejects all of them, without reporting them correctly and obviously without having had access to the detailed information that would be a vital prerequisite for a proper evaluation of the observations. Thus his argument is more the refusal of a true believer to see anything that does not fit into his own conviction than the intelligent examination of a seeker for the truth.

The so-called optical observation of a periscope which launched the Harsfjarden operation at midday on 1 October 1982 was of a very high quality. It involved a detailed description of a periscope acting in exactly the way an incoming submarine would have to act at that particular spot.

Strict Requirements

In the public debate people have sometimes made fun of so-called optical observations. But their value should not be minimized. They are subject to extremely strict requirements. It has been said that the evidence of these witnesses is reliable enough to win a conviction on a murder charge in the highest court in the Swedish legal system. And as long as eyewitness evidence is accepted by the Swedish courts, optical observations must be admissible in the debate on submarine violations.

Myhrberg really gets frivolous when he tries to explain away the various hydroacoustical observations that were made during the Harsfjarden incident.

A very clear observation was made by an anti-sub helicopter on 7 October at Oxnoudde right next to Harsfjarden. Myhrberg explained this by saying that

helicopter hydrophones are worthless in an archipelago setting and that the equipment probably picked up some rocks or pieces of an old wreck on the bottom.

Self-Revealing

But with this argument Myhrberg gives himself away. Elsewhere in the book he makes it clear that he knows that these hydrophones are mainly used in accordance with the so-called Doppler principle, which means that they only register mobile objects. And he cannot have been so negligent, to put it mildly, in his research as to be unaware that this particular observation was a very plain Doppler indication, i.e. a large object moving through the water with a definite course of direction and a speed that could be estimated at around 7 knots.

This is not consistent with the properties of rocks or old wreckage on the ocean floor. But submarines do proceed in precisely this way.

His evaluation of the other two observations is similar in quality. And it is quite apparent that he has a very hazy concept of the details of the observations that were made. Therefore most of his criticisms miss the mark.

Meager Results

Myhrberg has a really hard time when he tries to find some other explanation for the tracks on the bottom that were documented in Harsfjarden and in other places in the southern Stockholm archipelago. As far as one can tell what he says now is the result of 2 years of work in an attempt to come up with different explanations than those arrived at by the Submarine Defense Commission.

Viewed in this way the results are meager. But for safety's sake he does not present just one explanation, but two different ones. The fact that these rule each other out and that at least one of them must therefore be incorrect even in the Myhrbergian world perspective does little to improve the book's overall credibility.

The first explanation is that the bottom tracks, which resemble those left by a vehicle running on treads, could be caused by depth charge detonations and that these occurred extensively in the Harsfjarden vicinity in the course of the search.

Physical Phenomenon

Personally I am skeptical that depth charges can cause tracks resembling those left by caterpillar tractors on the ocean floor. If so this is a physical phenomenon that should have been observed and documented long ago.

What I do know is that the clearest tracks that were reported to the commission while it was working on the problem came from places and areas where

no depth charges were dropped and no mines were detonated. The same thing is true of the tracks from the fall of 1983 which were publicly accounted for after the commission ended its work.

Thus as an explanation for the tracks on the bottom the Myhrbergian depth charge theory is worthless.

His second theory is based on the assumption that the depth charge theory is false and assumes that the tracks must have been left by Swedish submarines long ago. The caterpillar tractor tracks were supposedly caused by the rotating double propellers on Swedish submarines used in the 1950's and 1960's and the clear dragging marks are ascribed to maneuvers conducted by the Spiggen minisub in the area several decades ago.

It is also fairly easy to dismiss this theory.

It is improbable, to put it mildly, that the caterpillar tractor marks in these particular places were left by propellers of Hajen class submarines. Some of these tracks were found in places where it would be virtually impossible for a large conventional submarine to operate. And the measurements of the tracks did not support the Myhrbergian theory in any way. But the traces on the bottom from the keel section of a large submarine which were found in the immediate vicinity of the tread marks from the minisubs were quite consistent with the measurements made of the lower part of Soviet Whiskey submarines in Gasefjarden in October 1981.

Fresh Tracks

But the most important thing is that the tracks the Submarine Defense Commission investigated were fresh. This could be determined by studying the rate at which they were covered over by sediment. While the commission was conducting its investigation it received reports that some of these tracks had begun to gradually disappear. In contrast to the enormous grooves left by the royal ship "Wasa" in the Stockholm channel, which Myhrberg describes, these are relatively small impressions on a bottom surface that is quite muddy in places.

The link between minisubs and the tracks was as clear as one could wish for. At the beginning of November 1982--after the Harsfjarden incident was over--another submarine periscope was observed in the area, this time in northern Mysingen. Certain observations were made from a helicopter in a bay near the periscope sighting, and when divers were sent down later at that particular place they found clear fresh bottom tracks of the tread type already reported in Harsfjarden. This observation was reported by the Submarine Defense Commission but for reasons that are obvious in view of his intentions Myhrberg does not even mention it in his book.

Thus what Myhrberg has to say is extremely flimsy. It is not hard at all to refute his speculations. And it is also obvious that he himself has little confidence in them since he presents two different and incompatible

theories about the tread marks. He also says quite openly that he is presenting his thoughts on the matter "more or less on speculation." There is every reason to agree with that.

He completely rules out the idea that the Soviet Union could have been dumb enough to send submarines into Swedish waters. And it is on the basis of this unwavering axiom that Myhrberg presents all his arguments. He himself justifies this basic premise by saying that the Kremlin leaders could not be "so off their rocker, to put it mildly, that they would shoot themselves in the foot in this flagrant fashion." And in support of this claim he cites the remarks Foreign Minister Bodstrom made at that celebrated journalists' dinner earlier this year.

Probably no one would claim that the Soviet leaders are "off their rocker" or that the aim of these operations was to "shoot themselves in the foot." What is involved is the security interests of the superpower in a border region of growing strategic importance and the various steps of a military operational nature it apparently considers necessary as a preliminary step in safeguarding these interests in every conceivable situation. The Soviet Union pursues its policy on a rational and long-term basis but it is very important to realize that the rationality is based on Soviet--not Swedish--interests, assessments and methods.

The submarine intrusions are a top-priority security policy challenge for Sweden. And the problem cannot be solved by keeping our eyes shut, looking the other way or pretending that it does not exist.

Undermining Credibility

There will always be those like Myhrberg and Wechselmann who axiomatically believe that the Soviet Union is innocent and devote themselves to speculative attempts to come up with one unreasonable theory after another that might undermine the credibility of the efforts being made by the Swedish defense system and Swedish authorities. This lies in the very nature of a pluralistic society. These suggestions must be dealt with in a free debate and the armed forces and civil authorities should be as open as possible when it comes to providing information.

In this way we will also strengthen support for our security policy and its attempt to safeguard our borders and our independence. And in this way we will show both the East and the West that Swedish reaction to those who try to violate our borders is strong, consistent and persevering. In the long run this is the only way we can deal with the challenge of the submarine intrusions.

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MILITARY

SWEDEN

NAVY, COAST ARTILLERY IN SAME COMMAND POST TRIED IN EXERCISE

Stockholm DAGENS NYHETER in Swedish 3 Oct 85 p 7

[Article by Mats Lundegard: "The Enemy Landed and the Men Slept"]

[Text] The commander was talking about how a battle is won:

"It is fire and motion that matter. It is a question of seizing the initiative and then keeping it. "

Behind him a soldier was lying in a trench and sleeping, a man exhausted past firing and moving. And the sun was shining its brightest, completely without regard to the seriousness of the situation.

The situation was otherwise serious, there is no question about that. The enemy had initiated a landing operation and in fact dug in firmly in the shore territory on the east side of the Vaddo. The mission now was to dislodge and defeat him. For this purpose, 6,000 coast artillery troops, regular artillery troops, and sailors and a few airmen were assembled yesterday in northern Roslagen.

It was an exercise, of course, a maneuver, the classic autumn experience for the year's reservists.

And the reservists slept as they usually do wherever they could, in a trench or in trailers. They were exhausted and unshaven men, but also rather cheerfully determined, in the way of reservists.

Real Joke

"We don't really know too much about what is supposed to happen overall," one said. "But that's the way it always is. Our connection is a real joke. The radios work at a distance of 100 meters, scarcely more. If we want to know something we have to go to a telephone booth and call..."

But he spoke with some feeling for the unity and solidarity in this little group, its determination to take care of what it was supposed to take care of.

"We have done away with our bicycles, though," he said, "we would never be in time for a war with them."

An officer explained, however, that bicycles are still invaluable in the local defense units.

It is quite apparent that this is true in the military there. The grass roots and the privates think one thing, and the commanders another.

New Organization

The highest command at Vaddo was coast artillery colonel Urban Sobeus. He told us that this year a new organization had been tested, i.e. one in which all of the highest exercise leaders of the fleet and the coastal artillery sit in the same room and organize things. Before, they sat in Norrtälje and Uppsala, respectively, and ran the war by telephone. He considered the new system very promising. He also felt that the men out in the bushes were ready and willing, and in general well informed about what was going on, on a large scale as well as small.

He was satisfied, could almost say a little enthusiastic.

"It's usually like that," a reservist said. "It is a little different at different levels."

Although they did not complain, and perhaps the colonel was right in believing that the Swedish soldier is more inclined to do his duty today than he was 10 years ago.

Suicide?

Although one wondered a little about the materiel and the odds.

"If one knows what the Russians have and then sees our odds and ends, well, I wonder whether it isn't suicide they're trying to train us in..."

The commander said that the enemy was technically equal to the Swedish units, and the Swedish soldier was surely superior to the (always nameless) enemy.

The show for the media began on a hill on Singo, where cannons were being fired against the supposed invasion craft. The enemy came from the east, but then it was not said where from.

The morning was strikingly beautiful. The dawn was pale yellow and clear, there was a little haze over the bright sea, there was dew on the grass, the season's fiery and flaming colors in the shore woods. Then gradually the terrible thunders and gunpowder smoke over the rocks. The water splashed around a target a mile out, and the firing supervisors assured us that the men were shooting quite well. The easily retrained anti-aircraft gun that was supposed to destroy landing craft at short distances refused, however, to be fired after the first shot.

Rocket Attacks

Then there was a flight over the Vaddo coast and rocket attacks at a low, low, height.

And then finally there was the infantry's assault against a clean-swept cape: grenade launchers and tank fire, submachine guns and automatic rifles, and piercing Swedish voices shouting "Fire!" and "Cease fire!" in the noise and the smoke.

It was probably quite like active service.

And naturally, not seriously like active service for an instant. There was no real violence, not to speak of actual casualties.

All the better.

9909

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MILITARY

SWEDEN

REPORT FINDS SHORTCOMINGS IN PERFORMANCE OF ELMA DEPTH CHARGE

Stockholm SVENSKA DAGBLADET in Swedish 30 Sep 85 p 6

[Article by Erik Liden]

[Text] The widely reported Elma miniature depth charge which the navy is hailing as a revolutionary defense against submarines has been called into question by several scientists who studied the design and effectiveness of the Elma in open water on their own initiative.

The Defense Materiel Command, FMV, has been hearing skepticism about the Elma for some time and on 18 September experts on submarine weapons were summoned to a meeting which was attended by Professor Fritz Bark, a specialist in hydromechanics at the Royal Institute of Technology in Stockholm, KTH, among others.

"I am glad that the navy is testing its technically complicated project at our institutes," said Professor Bark. "This should have been done much earlier. In October I will release a preliminary report on the technical problems that arise when water rotates, the so-called Taylor-Proudman effect, which has been scientifically explained many times.

Not Without Problems

"I cannot say now how the Elma functions. It is clear that the technology is not without problems and that it is hard to get the small charges in the right position against the submarine hull when the explosive detonates."

FMV would not comment on the consultations with KTH which were initiated 2 years after the big Elma demonstration at Berga Naval Academy when a film was shown of an Elma being dropped in calm waters. The Elma was declared a total success in operative use.

FFV [National Defense Manufacturing] in Eskilstuna, which has advertized the Elma extensively in international defense periodicals, will still not comment on the Elma's technical functions but simply states that an order meeting the navy's technical specifications has been delivered. An Elma depth charge costs 8500 kronor. Launchers from Saab/Scania for torpedo boats,

coastal corvettes and patrol boats, 35 in all, cost several million kronor, including installation.

Number a Secret

The exact number of Elma depth charges purchased is a secret but the figure is between 5000 and 10,000. In other words the total cost of the project is 50-100 million kronor, including launchers, money that could be thrown into the ocean in the absence of preliminary scientific tests of the project.

"No one on the navy staff has questioned the Elma," said staff editor Wyn Enqvist. "On the contrary. The Elma has been used operationally and our experts say it functions in practice. The criticism comes as news to me.

"Since 1980 we have tried to deliberately and logically expand our submarine defenses with well-tested systems. But there are still areas where an intruder would be superior to us. We came across foreign submarines during our 1984-85 exercises and the day will come when we force uninvited underwater visitors to come to the surface."

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MILITARY

SWEDEN

ARMY CHIEF WEIGHING DISBANDING OF REGIMENTS IN BUDGET CRUNCH

Stockholm DAGENS NYHETER in Swedish 3 Oct 85 p 6

[Unsigned article from TT: "Two Units Threatened"]

[Text] Kristianstad. Kristianstad and Eksjo will probably lose a regiment when the next defense decision is made in the spring of 1987.

"I am very definitely going to propose closing down these establishments in the next defense decision, and the commander-in-chief shares this opinion," stated army chief Erik G. Bengtsson when he visited the tank regiment in Kristianstad on Wednesday.

"In Kristianstad, it is most reasonable to abandon A3 [Wende artillery regiment] facilities and to collocate A3 with P6 [North Scania regiment]," Bengtsson explained.

In the same way, both the I12 [North Smaland] and Ing2 [Gota engineering] regiments in Eksjo would be combined and located together.

These are the mergers and disbandings that the army chief is now working on in order to save money for the army.

By reducing the army organization in peacetime, one would obtain money for the wartime organization, where defense will really be functioning.

I12 or I3

It is precisely by merging and collocating two units in the same facilities that an effort is being made to be able to close down an infantry unit.

It is most reasonable then that it will probably be I12 in Eksjo or I3 [Lifeguard regiment's grenadeers] in Orebro, which were discussed even before the previous defense decision in 1982.

At the end of February, the chief of the army will present a more detailed proposal as to how the peacetime organization will look in the 1987 defense decision. In effect, this means which units will be closed down. There will hardly be any new "death squad" traveling around to close down regiments as

before the previous defense decision, however: defense staff chief Bror Stefenson explained at the commander-in-chief's press conference on Monday that there is no time for anything like that.

At a press conference in Kristianstad on Wednesday, army chief Bengtsson was also asked whether a tank weapon would be left over in the lowest of the economic limits for the defense that the commander-in-chief has now investigated upon orders from the government.

No Alternative

"No," Bengtsson answered. "With the lowest limit -- which means an investment of a full 111 billion kronor during the years 1987-1992 -- we will not be able to develop any new tanks.

"Then we will not have any tank weapons after the year 2000, when the present Swedish tanks must be scrapped."

The army chief emphasized that today he does not see any alternative weapon to the tank -- above all, not in the open Scanian countryside. It is precisely in southern Sweden that Sweden's four tank brigades are working today to repel a possible enemy.

9909

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MILITARY

SWITZERLAND

MATERIAL, HOUSING, PSYCHOLOGICAL CIVIL DEFENSE ASPECTS

Paris DEFENCE & ARMAMENT in English No 44, Oct 85 pp 43-47

[Article by Dominique St-Die]

[Text] The Swiss defense organization can from many points of view be said to be almost a model to be followed. This model is founded on an original concept, that of people at arms, but also upon a highly advanced protection of civilian populations against risks that a conflict may entail. For Switzerland, civil defense is the indispensable complement to any form of defense that may be contemplated.

Civil defense is made necessary in the face of the vulnerability of a country confronted with the possibility of a nuclear strike. Swiss defense policy is not founded upon a nuclear arsenal; this country is effectively very vulnerable to blackmail based upon the use of nuclear weapons, and even the use of conventional weapons. Thus, a developed concept of civil defense allows the Swiss federal authorities a margin for maneuvering in the face of this type of blackmail.

Moreover, the organization of civil defense has very positive effects upon the morale of civilians and soldiers alike in time of war because the underlying idea is that the population can survive a modern war while the armed forces fight for it. This contributes to development of a symbiosis between the armed forces and the nation, which is one of the political objectives for defense in Switzerland.

Civil defense is hinged around three concepts :

- civil protection (shelter),
- economic defense (supply),
- psychological defense.

For civil protection, it may be said that the Swiss have the leading position in the world thanks to a regular effort carried out for more than 20 years. The Federal law of February 23, 1962 indicates that civil protection is an element of national defense ; it tends to protect, save and rescue persons and safeguard possessions by measures designed to reduce the consequences of armed conflict. Civil protection is thus, as seen here, treated as an imperative of the utmost importance. Its working — as that of all civil defense — is in the hands of the federal departement of justice and police. The Office Fédéral de Protection Civile (O.F.P.C.) created in 1963 constitutes the linchpin in the construction of effective and wide-ranging civil defense by action with respect to one imperative : ensure a protected place for each inhabitant within a radius of less than one kilometer from his home, and without separating families.

At the federal level, the O.F.P.C. is responsible for defining the broad lines to be followed in civil protection matters, as well as specifying norms for protection, standardization and the best longevity-cost ratio. 46 % of the costs of civil protection are paid at the federal level.

From the point of view of standards, the O.F.P.C. has defined these in terms of shelter, as follow :

- shelters intended for the population must be able to withstand a pressure of 1 Bar, i.e., a shockwave from an atomic bomb of 1 megaton dropped at 2.6 km from the shelter ;
- for command post shelters and hospitals, the ability to withstand pressure is increased to 3 Bar for protection against the impact of a 1 megaton atomic bomb dropped at 1.5 km distant ;
- perfect tightness against smoke and gas ;
- ventilation via an electric or manual system, with filter ;
- surface area per person : 1 m² (as opposed to 0.8 m² in Sweden and 0.5 m² in Israel) ;
- volume per person : 2.5 m³.

Other standards have also been defined against :

- primary radiation ;
- thermal effects ;
- radioactive fallout ;
- electromagnetic pulse effect.

These shelters, ventilated but not air conditioned, are of variable dimension. In towns, they may generally house from 800 to 2,000 people, but in the country alpine shelters have a capacity of 2,000 to 5,000 persons. It should be noted that each owner of a large parcel of land is obligated to build a shelter in his home. Financing for these shelters is no longer subsidized by the government, however, since 1981.

So that construction materials may be standardized, the O.F.P.C. has set forth norms for entry doorframes, air intakes, power generating groups, etc.

The cost of a protected place in a private shelter was 1 400 Swiss francs in 1984. That of a command post was 8,200,000 Swiss francs. However, the equipment for a shelter in a basement or garage was only 100 Swiss francs per place.

The O.F.C.P. also provides distribution of a brochure concerning civil defense of which more than 2 million copies have been printed. Finally, it ensures upgrading and the correct operation of the warning and alert system, which is mainly composed of sirens.

Even if the inspiration and coordination of civil protection is found and handled at the federal level, the role of the Swiss cantons is no less important. 43 % of the costs of civil protection are provided by the cantons within the framework of general organization, which appears to be very decentralized. Each canton has an office for civil protection which works in close cooperation with the cantonal director for military affairs.

Since the O.F.C.P. and the cantons have the essential role of conceptualizing, it is up to the communities to carry out plans, and these are an important link in the organic chain of civil protection. The action of each community bears upon a local protection organization (D.P.L.), which itself is divided into :

- a warning, observation and liaison service ;
- a service responsible for the preparation of shelters ;
- an N.B.C. combat service ;
- a firefighting service ;
- a service acting against the effects of bombardments ;
- a sanitary service ;
- a refugee aid service.

The originality of Swiss civil defense is thus in part based upon the fact that its organization is very decentralized, and that it relies upon local dynamics, especially those of the community. The other important characteristic of this organization is the quality of the personnel responsible for civil protection, as well as their number : all able-bodied men from 20 to 60 not obliged by the national military service play a mandatory role in civil protection ; they are joined in this duty by female volunteers and youth aged less than 16 years. In sum, almost a half-million persons are responsible for civil protection in Switzerland. Of these, 310,000 take course in civil protection. There are 2,000 full-time workers, including 1,750 cantonal and community employees. There are 25,000 volunteers.

This personnel benefits from intensive education on which the emphasis has been particularly placed these last few years : the frequency of classes has been increased

from 3 to 5 days, and annual exercises by 3 days. The basic and completion courses for staff (12 days in all) have been better scheduled over the year. The federal instruction center for civil protection was created for staff at Schwarzenburg near Friburg.

Despite all of the efforts undertaken, there remain a few difficult points. Shelters are not always perfectly geographically located. Nor has consideration been given to the different population densities. There are not enough specialized instructors, the problems of actually living in a shelter for a long period of time have not been completely solved. The initial objective of fully equipping the country with shelters by 1990 will not be attained, but little work will remain to be done.

Since, as a country, Switzerland is an enclave, its officials have always been particularly sensitive to the supply of foodstuffs and the raw materials vital to industry. In an international crisis, it is clear that problems of supply would be likely to arise, even without arriving at the stage of armed conflict. It is then in this perspective that the Swiss authorities have set up an efficient economic defense which employs 45 federal administrative people seconded by the cantons; however, the major thrust in this effort has come from numerous volunteers in the private sector working in the food product and distribution sectors.

Leading this group is the delegate for economic defense, who has direct orders from the chief of the federal department of public economy. Under the orders from this delegate, three central offices are responsible for ensuring the level of autonomy necessary for the survival of the country :

- the office of war and foodstuffs, which is responsible for supply of food products to the country ;
- the office of war, industry and labor, which ensures the supply of raw materials, finished products, fuels and energy ;
- the office of war and transportation, which is responsible for furnishing sufficient transport capacity in case of conflict. Economic defense action should enable the Swiss federation to operate in an auto-

nous fashion for 6 months with normal consumption, followed by an additional 6 months under rationed consumption.

The measures in effect bear mostly upon the storage of fuels, food products, fodder (Switzerland remains largely an agricultural and livestock-raising country), and fertilizer. Cooperation between the federal authorities and private enterprise appears to many as being exemplary. Stocks for an economic defense crisis are largely made up in the private sector according to contracts given by the authorities. Companies then become responsible for renewal of these stocks. At least half the merchandise in reserve may be used by the company for its own production. The private sector is then motivated to seek such contracts, principally thanks to financing terms at attractive rates of interest and advantageous conditions of amortization.

In addition, a dispensation from active military service or civil service is granted to persons who perform a vital function in the economic sector. Moreover, heavy trucks have been counted and certain of these have been reserved for priority transport for the purpose of supplying the country.

Finally, the law asks families to maintain a stock of 14 kg of foodstuffs for one week. The national food plan calls for a reduction in family intake to 2400 calories per day, and an increase in cultivated surface area to 365,000 hectares, which would allow complete self-contained supply of the country in food products.

The last of the three concepts upon which Swiss civil defense is based is made up of a psychological defense program which aims at maintaining a high level of population morale in case of crisis, preventing the spread of disinformation, intoxication and panic movements. In this respect it should be remembered that the Swiss have opted for the very reasonable solution of keeping people close to the place of their dwelling.

Each must remain in his town or village, where he is assured of finding a place in a bomb shelter as well as first aid and supply of food. Switzerland is thus ensured of avoiding a massive exodus of their people who, in an illusory hope of fleeing the

heater of conflict, would choke communication routes, paralyzing the entire country.

The basic principle of psychological defense quite naturally is information : information for the population concerning the measures taken to ensure survival, rapid information to be disseminated before rumors begin to circulate (these may or may not be due to the enemy), complete information : everything that is important must be told to the public because the truth will always become known.

To this end, a Presse and Radio division (DIPRA) has been created for serious situations. Moreover, a law passed in 1978 imposes an obligation on the Swiss administration as regards matters of information. There exists an information service in each ministerial department, as well as for the troops (called the SIT) in order to inform the militia.

Finally, various associations, clubs or groups, whether civil or military, which are very active in Switzerland, lend support to the official psychological defense organizations. For 1985, 11 million Swiss francs have been allocated to psychological defense. Different opinion polls have shown that these efforts have already borne fruit, and that the Swiss population has been intelligently sensitized to the problems of its own defense.

In sum, Swiss civil defense appears to be a coherent and solide whole, equipped with the appropriate means, and up to the level of ambitions expressed by those responsible for the nation's defense. The Swiss federation spends 50 Swiss francs per year and per inhabitant for civil defense. For 1985, a budget of 214 million Swiss francs has been earmarked for civil protection alone ; this is nearly 1 % of the federal budget. Presently, with 4.4 million existing shelters and 1.8 million dwellings equipped with a space reinforced against bombardments, almost 80 % of the country's population is able to be sheltered in case of conflict. Swiss civil defense thus fully merits the title of model that it has acquired over the years. As to the question of knowing whether this model may be applicable to other nations, the answer may not readily be had without more complex considerations. First of all, Switzerland benefits from two major pluses in civil protection, a small population (6.4 million inhabitants), and a mountainous topography which lends itself to the construction of buried shelters. Nevertheless, it might also be said that other countries with a greater population have succeeded in organizing very efficient civil defense (the U.S.S.R., for example). If the construction of sophisticated shelters is costly, the sensitizing of the population and motivation towards construction of individual shelters requires much less.

Whatever the case, it is clear that a developed concept of civil protection constitutes an important plus in the face of nuclear blackmail. ■

ECONOMIC

FINLAND

NEW PROBLEMS SEEN AHEAD FOR SOVIET, FINNISH TRADE TIES

Dollar, Oil Price Factors

Helsinki HELSINGIN SANOMAT in Finnish 17 Sep 85 p 30

[Article by Kalle Heiskanen: "The Dollar Exchange Rate, Oil Production, the Western Nations' Increasing Competition... New Threats to Finnish-Soviet Trade"]

[Text] President Mauno Koivisto is to go to the Soviet Union tomorrow. Koivisto is not going on a business trip. Nevertheless, industrialists and others who are involved in trade with the Soviet Union hope that the trip will produce the gift of a top Soviet leadership view of how to develop economic relations between the two countries.

Next year we move into a new 5-year general agreement period during which it is predicted that trade between the two countries will amount to just under 200 billion markkas. Trade negotiations involving next year are now in progress.

The agreement is being drafted in a situation which those who closely follow the Soviet trade describe as "being without any prospects." There are basic policies, but no one can say what will happen to the dollar, whether the Soviet Union may be able to deliver the quantities of oil that constitute the mainstay of our imports or how Finland will manage with increasing competition from other Western nations on Soviet markets that are gradually getting to be more and more open.

In President Kekkonen's time we trusted to the belief that "the old man will take care of it." "He scrawled a couple of words on a scrap of paper and the matter was settled," an expert on the Soviet trade recalled. So far President Koivisto is an unwritten agreement. On the other hand, the winds of change have also been blowing in the Soviet Union. Only time will tell whether Finland will also preserve its position in the minds of the coming generations of technocrats or whether Finland will be forced to compete in those areas where the other Western nations do.

One indication will be the choice of a successor to aging minister of foreign trade and friend of Finland Nikolay Patolichev.

The uncertainty has not lessened the personal trade negotiations of the chairmen of the chief parliamentary delegations. Promises with regard to the nearly completed new Kostamus, the Kola project, have primarily given rise to surprise.

Reverberations of the Dollar

"If the exchange rate of the dollar leads to a significant and long-term decline in import volume, we will have to be prepared for similar reverberations in our exports," Foreign Trade Minister Jermu Laine said. Laine regards the particularly restrained movement of the dollar recently as being reassuring. "Besides, the volumes for this year's trade agreement and the new general agreement have from the start not declined in conformity with the peak values of the dollar last spring.

In Laine's opinion, as concerns oil delivery amounts, there should be no supply difficulties of a permanent nature in sight. "Of course, a possible undelivered surplus of over a million tons of oil would temporarily produce an imbalance in the figures targeted in the agreement. But we can never fully rid ourselves of chance fluctuations in one direction or the other," Laine discounted fears that the agreed-on amount of oil would not be forthcoming and that exports would begin to cause difficulties.

As for Neste [state oil company] general manager Jaakko Ihamuotila, he said that "it is useless to go ahead and predict at this point because we are continuously negotiating as to how large an amount of oil imports there will be and how large the amount to be reexported will turn out to be."

For next year's trade negotiations, Neste "naturally will operate on the basis that has already been outlined in the general agreement between the two countries. It is a clearcut basis and there is no reason to operate on some other one."

The Oil and Natural Gas Committee appointed last June and which is headed by Ihamuotila and Deputy Foreign Trade Minister A.N. Manzhulo will meet in October. At this point Ihamuotila said cautiously that "oil, gas and oil refining form a key area, so it is obvious that there are many opportunities for collaboration."

By 1990 about 80 percent of our imports from the Soviet Union will still be oil and other forms of energy. The same amount as now, from 8.5 to 9 million tons, will be imported annually. According to the general agreement, natural gas imports are expected to rise from the current approximately 800 million cubic meters to at least 2.2 billion cubic meters.

Other big new contracts constantly being obtained from Western nations have, as expected, given rise to concern in the Finnish economic world. General manager Ihamuotila said that "there is always reason to be concerned over the preservation of one's share of the market."

He reminded us that, "while the clearing guarantees a certain volume, it does not guarantee [the preservation of] positions." According to Ihamuotila, positions must be preserved through competitive methods that are well-suited to Finns, for example, in such a way that the right products are chosen for the markets and high quality and reliability are maintained.

According to Minister Laine, we cannot draw conclusions to the effect that an increase in other countries' exports would curtail our own opportunities. "Indeed, we will certainly have export opportunities that are in keeping with the volume of our imports. The Soviet economy is not a constant situation which would not accommodate a considerable increase in foreign trade with the West." Thus Laine is pursuing the same reassuring line that Prime Minister Kalevi Sorsa adopted as early as last spring.

Laine thinks that, in addition to the trade balance situation, the caution that is appearing in the Soviet Union with regard to committing purchase opportunities allowed by the clearing to ongoing big projects from Finland will pose an obstacle to obtaining big new projects for Finnish firms. Laine said that Soviet economic planning seems to be focused in the direction of the rebuilding and modernization of existing production units.

The Kola Bubble or a Big Project

Particularly in Northern Finland they anticipate gigantic projects on the Kola Peninsula which will with one fell swoop eliminate poverty and misery from Lapland and illuminate the dark of midwinter. This hope was kindled over a week ago by parliamentary delegation chairmen Veikko Saarto, Pertti Paasio and Kauko Juhantalo when they visited Murmansk. "Negotiations on major contracts are in the final phase," KANSAN UUTISET reported.

The foreign trade minister takes a cooler view of the matter: "All things considered, the so-called Kola Project is still in the preliminary preparation and appraisal phase. We do not yet have any definite information either on whether it will be in the next Soviet 5-year plan or the one after that." The 1986-1990 plan will be approved at the CPSU meeting next February.

Laine predicted that, even with the quickest alternative, we might expect specific project negotiations in a couple of years at the earliest. He warned us that, like some other major projects under consideration at the idea level, Kola "seems to require such large amounts of compensation and perhaps credit

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that they will with difficulty produce many arrangements that are approved for execution with Finnish resources alone."

The Swedes and the Norwegians have also had their eyes on the Kola Peninsula. According to Swedish reports, negotiations will begin in earnest in January.

Commission's New Role

A member of the Finnish-Soviet Economic Commission has spoken of a "Kola fresco." The project was visibly depicted in public for the first time at the meeting of the economic commission in Leningrad last June.

Not all of the commission members are enthused over the new meeting style in which, after brief, formal sessions, members continue with the order of the day by familiarizing themselves with factories and plants. At them they fire ideas about big projects like Kola or an order for a million suits into the air.

Those who have for a long time followed the work of the commission remind us that before they used to sit at the table for close to 8 or 9 hours and thoroughly discuss projects. "Memories are, of course, rose-colored," one commissioner admitted, but doubted that current commission chairmen Ivan Arkhipov and Kalevi Sorsa have the same need to tackle details as did their predecessors, Patolichev and Ahti Karjalainen.

If this is so, the trading that has been engaged in up until the past few years on a personal level may be transformed into a dialogue of experts that is colder than before. On the other hand, all parties assure us that nothing will change the foundation pillars of the trade, the quota and clearing frameworks.

Finnish Builder Discusses Trade

Helsinki HELSINGIN SANOMAT in Finnish 17 Sep 85 p 30

[Text] "Competition on the Soviet market is bloody," Finnish construction expert, industrialist Kauko Rastas, admitted, but hopelessly shrugged his shoulders: "We can't do much about it."

The construction export portfolio for the next 5-year period amounts to over 8 billion markkas. Since the period has not yet begun, there is only under a billion markkas of production volume left. At least six times the amounts specified in different bids has been shipped to the Soviet Union in view of what will finally be approved within the framework of the general agreement.

"Everyone who is even a little capable of doing something about it is interested in the Soviet market," industrialist Rastas said. The reason, among others, is the halt in the growth of domestic construction. The competition among ourselves is too stiff and our Soviet partners exploit it, which is naturally right from their standpoint.

"The same project is now planned in 10 places and planes are filled with people going to Moscow. Throughout history the Soviets have been good buyers, much

more skilful than we. So they obtain agreements that are favorable from their point of view," Rastas said.

He said that they were also talking to the Soviets about the situation and that he believed that they would reach a sensible agreement. When, Rastas could not say.

Volgograd to the Italians

Rastas does not feel that Western firms' rush for the Soviet market is a danger to Finland. What have generally been involved are projects with Finnish firms do not even have a chance of participating in.

"We too have participated in many of them and operated in a senseless manner," he said and alluded to Finn-Stroj's collaboration with the West German firm of Mannesman in competing for the big Volgograd plant project. Rastas expects that the contract is going to the Italians. Finn-Stroj representatives have, however, been told that it does not pay to change partners, even if the project is not successful. New ones are on the way.

Rastas urged us to assume a cautious attitude toward so-called compensation projects in which payment is primarily made in the products of the production plant. "It's one way of increasing trade, but caution is necessary since opening credit accounts is involved. Opportunities are limited, but not non-existent."

Gorbachev, a Practical Man

In Rastas' opinion, trade engaged in with the Soviet Union is not a fixed situation. "You have to go there, be capable, have enough imagination." He hopes for initiatives from, for example, the economic commission. "Properly informed top leaders" can also propose initiatives and put businessmen to work.

He believes that the Soviet Union's new party leader is a practical man "and that suits us." "I appreciate his style, the brisk purposefulness with which he demands practical actions," Rastas said.

Soviet Official Optimistic

Helsinki: HELSINKIN SANOMAT in Finnish 12 Sep 85 p 30

[Text] B.M. Mochalov, the rector of Moscow's seat of economics learning, Plekhanov Institute, has reassured Finns that trade between Finland and the Soviet Union is indispensable. He visited in Finland last week and delivered a lecture at the college of business administration among other places.

"I know that matters will be resolved at a high level. I am convinced that matters will be settled," Mochalov said diplomatically.

Mochalov explained the difficulties of Soviet oil production, pointing out that they also had to redesign production methods when they moved to new, hard-to-work areas in Siberia. Switching from one method to another took time.

Last year Soviet oil production declined for the first time since World War II. The drop was 3 million tons to 613 million tons. Production has also declined during the first half of this year.

Mochalov reminded us that party leader Gorbachev recently visited Tjumen in the key oil production area of Western Siberia. "We are moving deeper into the taiga, appropriating more and more new areas. Our objectives are the oil deposits in Eastern and Northern Siberia, and Western Siberia has not been exhausted," Mochalov told us.

Those responsible for oil production have been replaced, beginning with the minister of oil. "As you noticed last summer, we are devoting attention not only to operational programs, but also to the quality of our managers. Only those managers who are also capable of managing now remain at the top," Mochalov said.

According to Mochalov, the Soviet economy is moving into a period of intensive growth. There is no longer an idle labor force, only unfilled jobs.

"Very powerful reform of enterprises and training of the labor force are in progress in the country. The importance of the contribution of the individual is growing" experience, skills, attitude toward one's work, keeping up with scientific and technical developments, competence and willingness to seek new ways of doing things," Mochalov enumerated.

"Now we also say: We've got to stop the drinking. Drunkards and alcoholics cannot help in economic growth," Mochalov said.

Drinking is being eradicated by changing the grounds for payment of wages. A supplementary wage payable in addition to the basic wage is received in accordance with a "job participation coefficient." "If you happen to drink, you don't get the wage increment. And the drunkard cannot say that the miserable boss didn't give him the wage increment because his fellow workers know the truth."

It Takes Time

Rector Mochalov admitted that nothing happens all at once in the economy. "Rebuilding a national economy takes time," he said.

"But in a few years time, when the means of production have been modernized, when a new attitude toward one's work prevails...." Mochalov was talking about a special consideration of the "human factor." It starts with the individual, joins the collective contribution and at the third level the entire national contribution participates.

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CSO: 3617/178

ECONOMIC

FINLAND

COUNTRY'S INDUSTRY, RESEARCH ESTABLISHMENT BACKING EUREKA

Helsinki HELSINGIN SANOMAT in Finnish 20 Sep 85 p 26

[Article by Kaija Virta: "Finland Gains a Foothold in Front Ranks of Eureka; Areas of Cooperation Presented at Bonn Conference"]

[Text] Finland has done its homework on Eureka well and spurted from the rear of the pack to the front ranks. At the conference of experts from 18 nations that ended in Bonn on Thursday, aside from the West Germans and Austrians, the Finnish delegates were the only ones who had a written list of areas of cooperation that interest their country's business enterprises ready to be presented.

In Bonn they got ready for the ministerial conference to be organized in Hanover in November, at which they plan to finalize the organizing, financial policy and initial practical projects of Eureka. The 12 current and future EC member nations as well as Italy, Norway, Sweden, Finland, Switzerland and Turkey will participate in Eureka, which will strive to increase the European high tech industry's ability to compete. The last-named country did not get to participate before the Bonn conference.

"Finland had a varied and representative list of interests," was the opinion of general manager Juhani Kuusi of the Technological Development Center (TEKES) after the conference in Bonn. "In my opinion, its distribution is already of importance inasmuch as it demonstrates that Finnish industry is advancing on a very broad front in the field of high tech. And, since our high tech industry is, unfortunately, very little known on this continent, in that sense too the Eureka initiative will certainly improve our situation."

Of those areas of cooperation with European firms of interest to Finns, Kuusi mentioned information and machine technology.

Small Projects Favored

Finland had hoped to influence them beforehand to have Eureka also include small-scale projects aside from large-scale major projects. Following the Bonn conference, Kuusi believed that they are moving in that direction. According to him, for example, there are clearly parts of the projects proposed

by West Germany that would make the participation of small and medium-sized industries feasible.

Firms and associated individuals that will in practice handle project negotiations are named on the Eureka lists of the different nations, which may soon add up to a final 15 participants.

Industry Is Enthusiastic

TEKES and the Industrial Confederation will transmit the lists of the other countries to Finnish industry.

"In the end it will be up to industry to set things in motion and I must say that so far Finnish firms' enthusiasm has been particularly high," Kuusi said.

According to Kuusi, there was lively discussion of possible public financial support for the Eureka projects in Bonn, but they generally felt that firms must primarily bear the costs.

"They asserted that the Eureka label may create a more favorable climate for government support, for normal support for product development. But with this too they maintained that we should be very careful that these subsidized Eureka projects do not distort or eliminate the normal market competition situation."

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ECONOMIC

GREECE

SMALL RISE NOTED IN 1984 EXPORTS

Athens I KATHIMERINI in Greek 17 Sep 85 p 7

[Text] Greek exports continued to make a faster recovery in 1984 but this favorable development should be ascribed to a marked improvement in the demand from Greece's basic export markets, in view of the fact that the slight improvement in the relative prices of Greek exports did not counterbalance all the losses in competitiveness during the past year, and much less the accumulated losses of previous years. This is in essence, the conclusion of the Center for Exports Research And Study (KEEM) founded by the Panhellenic Exporters' Association.

On the basis of the study's data, the value of Greek exports for 1984 showed an 8% increase in dollars for 1984, in relation to the previous year, and rose to \$4,815 million from \$4,459 million in 1983 and \$4,286 million in 1982. If petroleum products, exports of which last year showed a considerable increase, are excluded, the export curve was slightly less satisfactory (a 6% increase).

The bulk of Greek exports increased by 12% in 1984 as compared with an 18.4% increase the previous year, during which the bulk of Greek exports had reached the levels of 1980, which was the best year of the postwar period from the standpoint of exports. Furthermore, the average dollar value of our exports decreased by 4.5% in 1984. However, on the whole a comparison of Greece's performance with that of the other OECD nations during the past year, both in value and bulk, is favorable. A comparison with member-nations of the EEC is particularly favorable.

The improvement in the exports performance in 1984 is chiefly due to the great increase in the exports of petroleum products (+58%) and to the significant increase in the export of industrial products (+60%). Furthermore, the export of raw materials was also significant (+16%), while exports of agricultural products remained at the levels of the previous year.

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7 November 1985

ECONOMIC

ICELAND

LARGE TRADE DEFICIT EXPECTED FOR 1986

Reykjavik MORGUNBLADID in Icelandic 25 Sep 85 p 48

[Article: "National Economic Forecast: 3.5 Billion Trade Deficit Expected"]

[Text] The 1986 National Economic Forecast estimates the foreign trade deficit will be about 3.5 percent during the year which corresponds to a 3.5 billion kronur trade deficit. As has come forth in MORGUNBLADID, the draft budget estimates that National Treasury foreign borrowing next year will be limited to amortization of foreign debt. The National Economic Forecast was used as a base in writing the budget.

It is therefore clear that a considerable trade deficit is expected in the private sector, and even if the Treasury foreign debt accumulation will be halted, it does not mean that foreign debt accumulation by industries in the country will be halted.

MORGUNBLADID sources state that the reasons for this are primarily that if the plan had been to cut the trade deficit that much at one time next year, it would have resulted in more cuts in wages and benefits than is acceptable in view of the fact that the National Economic Forecast does not assume any decrease in disposable income next year.

It is forecast that the national production next year will amount to 100 billion kronur of which state expenditures will be about 28.2 percent. The MORGUNBLADID source explained this large trade deficit to the reporter last evening and said that when writing the budget it was deemed appropriate that it would be the public sector that would go a step further in using constraints and tightening the belt and industry would take priority. He also said that the trade deficit could to some extent be explained by interest payments on foreign loans so this does not cover direct trade deficit only.

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ECONOMIC

NETHERLANDS

ECONOMIC VIEWS OF VVD, CDA, PVDA COMPARED

Amsterdam DE TIJD in Dutch 30 Aug 85 pp 8-11

[Article by Ton Oostveen: "VVD Sees a Sunny Future: Politics and Shooting for Clay Pigeons"]

[Text] Following the CDA's "points of departure" and the PVDA's changes in direction, now the VVD's 513 policy resolutions have also been made public: the 1986 election year is in fact approaching with large strides.

The VVD program is not surprising, though it is definite, not pretty, perhaps, but it is cheerful.

So now in the meantime three dogs are fighting for one bone. And the wait is for D'66.

Numbers in politics, they still remain deceptive. At first glance the 58 points of departure of the Christian Democratic Appeal appear only skimpy in comparison to the 965 policy resolutions included in the electoral program of the People's Party for Freedom and Democracy [VVD].

Closer study shows that the CDA didn't do much more than establish a general direction, whereas the VVD in fact hit all of the road markers along the way.

"Our programs," VVD faction chairman Ed Nijpels said last Monday with satisfaction, "are about the same in length."

Two Basic Lines

Deceptive numbers. Upon closer examination, the VVD's 965 policy resolutions turned out to be only 513 because the editing committee had numbered the paragraphs in the same way that hotel rooms are usually numbered. Resolution 965 therefore turned out to be resolution 65 of chapter nine. Here you are already off on the wrong foot even before you have really studied the program.

But the chairman of the editing committee, Dr. L. Ginjaar, gladly helped us on our way. He saw two basic lines (of all kinds) running through the program: "One basic line deals with a reduction in the activities

carried out by the government with more leeway for private individuals and companies, and one basic line is a line of optimism. Thanks to the policies of the current cabinet, there is evidence of a considerable improvement in our country's situation and we may speak of a good foundation for further improvement."

This is why the committee gave chapter one of the electoral program the cheerful heading "The Future Looks Better." Combine that message with the motto of the PVDA electoral program, "The Future Belongs to Everyone," and you can see a beauty of a coalition on the horizon.

The PVDA's ideals are nevertheless incompatible with the VVD's optimism. Nijpels: "That PVDA program is really just bursting with planning and multiyear approaches, and it hands a major role to the government. A coalition is therefore not in sight."

The same thought is expressed somewhat more delicately in the VVD program, but no less unequivocally: "The future? What do we know about it? Liberals have always shown self-restraint as far as this is concerned. We believe in the future, but we do not adhere to a particular scenario for it. We know only too well that whoever tries to realize an ideal scenario which originates from an ideology established for all eternity is prone to exercise coercion. Utopia is the mother of the totalitarian state."

And yet, the VVD program continues, every politician needs to operate with future projections, especially in the face of the dizzying pace of today's technological and social changes. And then the VVD states: "Conducting politics is, more than ever, like shooting for clay pigeons: you don't aim for the object, but well ahead of it."

Cutbacks, But How?

Something similar has been done in this electoral program with regard to the desired cutbacks for the coming term of office. According to the program, an additional 18 to 20 billion needs to be saved during the period from 1986 to 1990, provided economic growth does not turn out to be less than 2 percent. If that should in fact happen, then even more will have to be cut from the country's expenditures.

With a view to the future, the program committee has therefore already devised 25 to 30 billion in cutbacks: "We thus have a wide range of possibilities for choice," says Dr. Rudolf de Korte, who nevertheless was unwilling/unable to say just where they imagined to find so much money.

Certainly, the VVD doesn't want a revival of the indexing between benefits and wages, and that saves a whole lot. The party also has high hopes for "system adjustments," that is, cuts in social benefits, anti-fraud actions, and privatization of government functions. A "better future" (VVD) for "everyone" (PVDA) is therefore not yet a component.

Probably everyone, be it some more so than others, may look forward to a reduction in taxes. The VVD is holding forth the prospect of an annual decrease in the burden from taxation and employee contributions equal to 1 percent of national income, which amounts to about three and one-half billion guilders per year.

The liberals would have found it nice had the citizens already been able to enjoy a part of this morsel during the 1986 election year. Alas, the cabinet, including the VVD's ruling members, put this on hold last Friday. Because Premier Lubbers announced it to the world, hear this, three weeks before Prince's Day, VVD chairman Kamminga this weekend flew into a fit of anger.

And no wonder, because the tax benefit for an entire term of office, scheduled for presentation on Monday, thereby suffered a serious blow to its credibility. Ed Nijpels salvaged what was still salvagable by announcing that the VVD would make known its opinion about this cabinet decision during the general debate on 15 October following.

In regard to the question of whether M. Kamminga was indeed justified in becoming so angry about Premier Lubbers' premature revelation, one of the journalists made a subtle reference during the VVD's press conference to paragraph 224 of the liberal electoral program. And sure enough, there you could read the following: "Changes in government policy need to be made public in a timely manner: In addition to passive publicity, more attention needs to be devoted to active communication as regards government policy."

Had Lubbers really done anything else but this?

The three electoral programs laid out on the table in the meantime have relatively little to offer in the way of news. The VVD and the PVDA are dancing, you could say, on the same tiny floor in the financial ballroom. Its dimensions are determined by the expected rate of economic growth (2 percent), by the anticipated rate of inflation (likewise 2 percent), by the need, as endorsed by both parties, for (further) reduction of the budgetary shortfall, and by earning a few cents as the result of anti-fraud actions, reorganization of the social security system, and changes in the flow of subsidies.

Within the very narrow band of possibilities calculated for all of the parties by one and the same Central Planning Bureau, it is not so much the material importance of the policy alternatives that matter, but their direction. And here, Joop den Uyl said last week, a change in course amounting to a few degrees can indeed have major consequences.

A comparison between the programs of the PVDA and the VVD then shows that both parties are marching in opposite directions, something which Den Uyl and Nijpels also admit. By using careful phrasing during their respective press conferences they did not exactly exclude one another's party from any form of cooperation, but they did make it entirely clear that they don't have to have anything to do with each other.

Whoever then grasps, as has been the custom for decades, at the information contained in the CDA's program in order to reconnoiter the coalition possibilities, finds himself facing passages like the following one:

"While standing in many decades of Christian democratic tradition, we see ourselves in this transitional phase of culture as facing the task of reaffirming traditional values: in religion, culture, society, and politics. Not for the purpose of thereby presenting our basic motives for politics and the society, but precisely in order to maintain and strengthen the chances for perfecting our ideals in a changing world. This demands of us the inner willingness to give up those things from that which is dear and familiar to us if they have in the meantime lost, because of changed social circumstances, their significance; but at the same time it demands the daring, in the midst of major change, and, if necessary, in the face of vilification, to uphold those truths which may not be lost."

That is just how it is, but passages like this one tell little about coalition possibilities. They sound like statements from the Delphic oracle: you can do with them what you want. It is therefore fortunate that CDA chairman Piet Bukman last week permitted us to jot down once again what was meant by it, namely, continuation of the coalition with the VVD.

Games with Numbers

That statement, lucid as it is, was otherwise not quite as obvious as Bukman suggested. Whoever does in fact analyze the CDA's (Biblical) points of departure despite all of their wooliness, such a person can imagine that Nijpels as well as Den Uyl are discovering points of contact in them.

Take the benefits which the PVDA does, and the VVD does not, want to index to wages.

The CDA writes: "The level of benefits ought to be oriented to the income levels of those persons who are in fact able to participate in the work process."

Now is that indexing or is it not?

The CDA's program is so serene and, above all, so dignified that it doesn't contain a single number. There's hardly anything to speculate about regarding its conversion into concrete policy. The programs of the PVDA and the VVD, on the other hand, are bursting with numbers, percentages, estimates, and "plowback effects," whatever that may be.

This is treacherous territory, in which only veteran financial and economic editors dare to tread: as a substitute political reporter, I observe this full of bewilderment.

For example: the PVDA wants to freeze the defense expenditures, and the VVD is willing to put NATO's goal of 3 percent growth into practice.

"But you really also want," a parliamentary reporter asks, "to support NATO's technological renewal?" "Yes, of course," is the reply. "According to General Rogers, that's going to cost you an additional 2 percent." "No, that is to say, it is somewhat more complicated, but what you are saying is true in principle." Then Rudolf de Korte interjects: "But it won't be more expensive."

Just put it on my tab, the average voter says.

When another financially adroit journalist figures out just as quickly that a certain policy proposal is not financially feasible, one of the numerous VVD spokesmen reassures him by saying, "But it only says that we will strive to achieve it."

Yet another example of the word games used to send the average voter off on the wrong track.

The VVD wants to make cutbacks of 18 to 20 billion.

A CDA spokesman once mentioned a figure of 11 billion.

How do you reconcile the one with the other? In a coalition, naturally.

De Korte says with a broad grin, "The country's accountant (in other words, Ruding from the CDA) once talked about the need for 24 billion in cuts. Add 11 and 24 billion together, divide by two, and you'll be right in the neighborhood of our 18 billion."

Now you can of course make fun of the number games which the antipoles of the PVDA and the VVD are guilty of playing, and which both appear to offer the same degree of certainty as the long-range forecasts made by the Royal Dutch Meteorological Institute, but at least they offer the voter more of a foothold than the CDA's points of departure.

The PVDA and the VVD are fighting a real battle on the tiny floor of possibilities while the CDA, wise and ethical, watches with a smile. That will have to change in the months to come if the average voter is to be able to exert any influence at all on the coalition for the years 1986-1990.

If the CDA continues to prefer wooly ambiguities, however, then it will be time all the more for us to crane our necks in anticipation of the electoral program of D'66.

Under the direction of Hans van Mierlo, D'66 can regain, if things go right, something of its previous glory and be able to exert an attractive pull upon those voters who consider it democratic to know just exactly what they're up against in the elections.

Now that it has definitely become clear this weekend that there will be no hope of unity among the radical splinter groups to the left of the PVDA, Joop den Uyl becomes all the more dependent upon supporters on the PVDA's right.

On account of his political past, Hans van Mierlo is no longer able to serve again as Den Uyl's support and refuge, but a conscientious political program containing more concrete details than those offered by the CDA will in fact give the average voter the clarity which he so ardently desires.

The VVD and the CDA form the present cabinet until the start of the electoral contest. To this extent, both parties are coming forth with a single political option. The PVDA is facing the opposite option. The role of D'66 will of course become crucial for the formation of a working parliamentary majority. And here it should also be remembered that Hans van Mierlo is in fact also referred to in the Hague with the nickname "Sphinx."

Friendliness

The VVD, as we know, is not in the best of shape in the opinion polls. Ed Nijpels knows that and he joked about it on Monday when he arrived somewhat early in Nieuwspoort and therefore found himself faced with only a few journalists: "Should I go ahead then and wave to all of our voters?", he asked the only cameraman present.

For the policy resolutions, 513 in all, may not all be quite as nice for the unemployed and those receiving government benefits, but the VVD will remain a most charming party.

Just take policy resolution 216: "Friendliness toward the citizen is a matter of course."

What else would you expect then from people who go shooting for clay pigeons?

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ECONOMIC

SWEDEN

CONSERVATIVE PAPER VIEWS PALME'S ECONOMIC PROGRAM

Stockholm SVENSKA DAGBLADET in Swedish 2 Oct 85 p 2

[Editorial: "Government Declaration"]

[Text] A minority government that has to write a government declaration can choose one of two different starting points. One is to outline its policy clearly and concisely in terms that make it obvious that the government is prepared to stand or fall on its ability to gain approval for its proposals.

The other starting point is that the primary goal is to remain in power. The policy pursued is secondary. Time will tell what the government can get through Riksdag and what it cannot.

At the opening of Riksdag yesterday Olof Palme presented the Social Democratic minority government's declaration. It was more like a formal speech than a government declaration. It is obvious which starting point Palme chose. Government power, not policy, is the most important thing for the party that intends to rule Sweden in this election period.

One's thoughts turn spontaneously to the first half of the 1970's when the Social Democrats tried to hang onto government power at any cost. The instrument was the so-called Haga agreements. Economic policy was neglected and this eventually led to the acute economic crisis in 1976.

In the week before Riksdag opened the economic policy debate gained momentum. The labor market factions have begun to formulate their demands for the contract negotiations. An overall picture of what has happened so far in the buildup to the contract talks does not provide much reason for optimism. There is little to indicate that economic policy will be given a helping hand by responsible contract agreements.

The government declaration is one of the documents that can help a government set the agenda. Riksdag and the government are in charge of economic policy control mechanisms. By clarifying how they will be used they can also shape the firm guidelines that are so important in the functioning of the economy.

But if the government prefers to remain silent the actors on the economic stage, the labor market factions for instance, are forced to perform under uncertain conditions. And we have known for a long time that we have to pay a price for this kind of uncertainty.

Yesterday's government declaration contained no signals of a change in course where economic policy is concerned. On the contrary it must be interpreted as an announcement that the government intends to wait and see. It does not look as if anything that happens this fall will fulfill the wishes of the head of the National Bank and an almost unanimous group of economists.

At the same time everyone, including the finance minister, knows that developments cannot be allowed to continue in the same old way. Something must be done about the balance of trade. The cost trend in trade and industry must be moderated. Price increases must be brought down to a level that corresponds to the inflation rate in other countries. The state must economize and so must local communities. And the problem of wage formation simply must be solved to keep Sweden from being hit by a new cost crisis.

But the question on everyone's lips, namely how all this is to be accomplished, did not get a sensible answer in the government declaration. Instead the gist of the message was that things are all right in most areas.

Olof Palme talked about improved market shares and seemed totally ignorant of the fact that we have lost market shares during the last three quarters. He said Sweden was about to have the lowest inflation rate it has had in a decade without mentioning that our relations with the rest of the world have not improved much.

The prime minister talked about mounting industrial production, increased investments and higher real wages. But he was talking about the past, not about the future.

When Olof Palme talked about what the government intends to do the declaration was simply ludicrous. The big problems were literally dealt with in the passive voice. Words like expansion, reinforcement, assertion and renewal were repeated constantly. How and by whom were the unasked questions that a listener was constantly tempted to put to the prime minister.

Things were not much better when the government declaration was more concrete. For example, who would take seriously a statement giving the impression that by virtue of its renewal funds Sweden would maintain its status as one of the leading industrial nations in the world?

The government declaration painted a picture of a government that does not really know what to do. And that is not all. It does not seem to know what it wants to do either, as AFTONBLADET pointed out in a very acid editorial.

One of the SDP campaign themes was that at least the party could give the country political leadership, the ability to make hard decisions. Much suggests that this myth will be punctured during the next 3 years.

ECONOMIC

SWEDEN

PAPER EXAMINES BANK REPORT'S PROGNOSIS OF CONTINUED INFLATION

Stockholm SVENSKA DAGBLADET in Swedish 2 Oct 85 p 2

[Editorial: "Third Way a Myth"]

[Text] The economic staff of the S-E Bank [Stockholm's Private Bank] painted a bleak picture of the Swedish economy. Wages continue to rise more rapidly than in other countries. Inflation remains at a higher level than in the countries that are our most important competitors. The extremely high interest level remains, which tends to discourage investments.

The S-E Bank based its prognosis for the future on the assumption that the government will continue on its present course, that inflation will continue to be deplored verbally but not combated actively and that there will be few savings made in the public sector.

And that is probably the most valuable aspect of the S-E Bank's evaluation of the economy. By examining the effects of a continuation of the present policy the bank's economists show that the idea of a new third course in economic policy, of the present policy as a successful experiment, is false. The third way is a myth and it does not provide any guidelines for the next 3-year period.

Although the picture is discouraging, the S-E Bank notes that there is a more promising scenario.

But the prerequisite for this is an economic policy that consists of more than pious remarks. The S-E Bank economists said specifically that credit policy must be relieved of some of the heavy burdens it is encumbered with now. With lower interest rates both households and commercial firms would find conditions easier. This would benefit investments. And with lower inflation expectations it would probably also be easier to conclude contract agreements at a reasonable level.

But the only way to achieve that is through fiscal policy measures, i.e. through savings in the public sector. If the government and the Riksdag majority balk at this we are headed for an inexorable economic decline. The private standard continues to lag behind that in other countries. The basis for prosperity continues to be undermined. And unemployment continues upward.

The report from the economic staff of the S-E Bank shows that there is now very broad agreement on this analysis of the Swedish economy on the part of various economic experts. We are confronted with an immediate need for austerity measures that must include the public spending sector. And the Swedish labor market model, which the government is trying to protect, is unlikely to provide a solution for the problem; it actually represents a large part of the reasons for the problem. Year after year this model has produced wage increases that are higher than wage increases in other countries.

But ultimately the problems in the contract sector can also be traced back to the extent of the public sector. The state and the local communities have simply taken over such a large part of our joint resources that there is nothing left to distribute in the contract talks. That is why these talks lead to inflation instead of increased buying power.

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ECONOMIC

SWEDEN

LARGE INCREASE IN TRADE WITH SOUTH AFRICA REPORTED

Stockholm SVENSKA DAGBLADET in Swedish 10 Sep 85 p 29

[Article by Nina Sallnas and Ewa Stenberg]

[Text] Swedish imports from South Africa rose by 57 percent during the first 5 months of this year in comparison with the same period last year. Exports to South Africa declined by 28 percent during the first half of the year.

This is shown in new statistics from the Central Bureau of Statistics (SCB).

During the first 5 months of this year, Sweden imported South African goods worth 236.3 million kronor. Sweden exported 578 million kronor worth of goods to South Africa.

Statistics concerning the types of products imported and exported are not yet available. But last year the largest imports were as follows, in descending order: fruits and vegetables, iron and steel, and all other metals.

"These new statistics are already history. If the government is still in office after the election, we will ban imports of products in the largest group--food products--as we announced earlier," says Carl Johan Aberg, under secretary of state in the Ministry of Foreign Trade.

Last year's imports of fruits and vegetables were worth 112.5 million kronor.

Fewer Exports

The ministry has also instructed the Board of Trade, the Board of Economic Defense, and the National Industrial Board to investigate Sweden's dependence on minerals and metals from South Africa.

The largest exports to that country last year consisted of machinery, equipment, and transportation equipment. Exports are now down by one-fourth.

Carl Johan Aberg says: "That is probably because South Africa and South African firms are not in the best financial shape."

He says: "Now each firm must ask itself whether it is really defensible to continue exporting to South Africa, considering the deterioration of the South African economy and the political situation in that country."

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CSO: 3650/357

ECONOMIC

SWEDEN

LABOR CONFEDERATION LEADER STIG MALM ON ECONOMY

Stockholm SVENSKA DAGBLADET in Swedish 8 Sep 85 p 3

[Op Ed article by Stig Malm, chairman of the Swedish Federation of Trade Unions]

[Text] For wage earners, the "third way" policy means that the economic policy is aimed at increasing growth and production and at giving wage earners real improvements in their standard of living. The third way is opposed to one-sided retrenchment, whose advocates think they can handle employment and welfare successfully by first increasing unemployment and undermining welfare.

Nor can we support an alternative based on giving a general boost to demand. We would then be jeopardizing the balance in the national economy and price stability. What is required instead is an active, selective economic policy, and at the same time, we must maintain good long-term competitiveness.

Have the members of the LO [Swedish Federation of Trade Unions] gotten anything in return for their help with that policy? How has Sweden succeeded on those crucial points?

Competitiveness not Worse

Earlier this year it was becoming an established "truth" that the effects of the devaluations in 1981 and 1982 were quickly being eaten up by wage increases that were too high in comparison with competing countries. It is now more difficult to argue on behalf of that "truth" since the LO's economists issued their report on competitiveness at the beginning of August.

Using statistics from the SCB [Central Bureau of Statistics] and the OECD, they were able to show that Swedish competitiveness has not worsened at all since the devaluations. It is true that hourly pay rates have risen somewhat faster in Sweden than in other countries, and this was especially true in 1984, but on the other hand, our gain in productivity has been better.

Of course, we cannot always offset larger wage increases with better gains in productivity. But on the other hand, the advantage we enjoy thanks to a rapid

modernization and restructuring of industry will favor us for some time to come.

Last spring the pessimists were predicting price rises of about 8 percent for 1985.

Now the picture has changed radically. The government's measures worked with the international trend toward declines in the dollar rate, oil prices, and interest rates. The result is obvious. Prices in Sweden have dropped for 3 months in a row. In THE ECONOMIST's index of price indicators, only Switzerland and the FRG show better figures than Sweden.

The new assessment by VECKANS AFFARER is also positive. We are currently about average in the OECD as far as annual rates are concerned, and VECKANS AFFARER estimates that the rise in consumer prices during 1985 will stop just short of 6 percent. The SPK [National Price and Cartel Office] estimates about the same (between 5 and 5.5 percent), and our own estimates come closer to 5 percent, partly because the decline in the dollar rate and in interest rates should provide room for further measures to reduce prices here at home.

Unemployment in Sweden continued to rise after the change of government in 1982. But it has now turned downward--that is undeniable. Open unemployment is lower in 1985 than it was in any of the years from 1982 to 1984.

Even if we combine open unemployment with the AMS [National Labor Market Board] vocational training program, relief work, and the youth teams, the figure for July of this year is lower than the figure for July 1982!

Crucial Point

A crucial point in the third-way policy has been the guarantee of continued successes through expanded capacity and rapid technical improvement--that is, a sharp increase in investment, especially in industry.

Were we successful? After a rapid rise in investments in the early 1970's, we encountered a disastrous decline in industrial investment from 1976 to 1978. The volume fell by about 40 percent in 2 years, and it was still at that low level in 1982. Since then, that entire loss has been recovered, and there has been at least an equally sizable rise in R&D and marketing investments.

After a succession of years with no sizable industrial investment in the country, we now have such giant projects before us as the Volvo project in Uddevalla, the world's largest ammonia plant in Nynashamn, the National Telecommunications Administration's 26-billion-krona investment program, and so on. Those are investments in the multibillion-krona class where the decisions have been made but where the related purchasing and the effects on employment are still ahead of us.

The successes involve more than just the giant firms. We have added 30,000 new small firms over the past 3 years. That is a considerably higher rate of new business starts than previously.

Improvement

Perhaps the most critical and controversial point in our economy concerns developments in the balance on current account. Following a dramatic deficit of 22 billion kronor in 1982 (corresponding to 3.5 percent of GNP), the situation improved quickly after the devaluation, with the result that by 1984 we already had a small surplus in our current-account balance.

But long-term balance is not achieved that quickly. It was estimated in the Long-Term Survey that even if a favorable trend continued, it would take not 2 but 4 or 5 years to achieve balance. Not until sometime in the 1990's would we be able to achieve a necessary surplus.

This means that a deficit amounting to just under 1 percent of GNP in 1985 is completely in line with the trend toward improvement that began in 1982.

But is that figure of about 1 percent of GNP correct? Some economists guess that it will be double that.

Considerable Effect

They base their assumption on the first half of this year, but that period was special in many ways. Demand was unusually high as regards both investment and consumption. The labor conflict and the cold winter hurt trade, and the high dollar rate affected imports.

All of that had a negative effect on the current-account balance. All in all, the effect was considerable. There are many indications that things will be different during the second half of the year. The dollar is down, consumption is not increasing as quickly as it was, and oil prices are declining.

The balance on current account also includes interest payments. And here, too, we can see a change for the better. A cheaper dollar and a declining level of international interest rates reduce the burden of interest in the balance on current account.

If there is no dramatic weakening of the international economy or of Sweden's competitiveness, neither 1985 nor 1986 should provide any reason for concern over the balance on current account.

Chance of Success

The overall conclusion to this review is that Sweden has a good chance of success with its third-way policy.

A comparison with Great Britain is interesting. Thatcher has now lasted for 6 years. And British inflation today is higher than it was a year ago, prices are rising faster than in Sweden--and there has been no drop in unemployment. There can hardly be a clearer demonstration of the failure of neoliberalism.

It is noteworthy that Swedish inflation is dropping at the same time that employment is rising and the deficit in the economy is declining. There are still a number of areas, however, in which we must continue to be very attentive:

1. Even though unemployment has been reduced, it is still not low enough.
2. The sharp downward turn in inflation is still only a few months old, and keeping inflation low will require close effort.
3. So far we have been able to compensate for faster wage growth than in other countries through faster increases in productivity. We can scarcely expect this to continue in the future, so we must be careful not to get carried away with excessively high nominal wage increases. If we do, an undermining of our competitiveness may begin and the current-account balance may be weakened.

Feeling Responsible

Our successes to date give us every hope that we will be able to continue achieving good results. But this presupposes that all groups in society will feel their responsibility. Everyone must be willing to shoulder his share of the burden. And the fruits of success must be reaped by all groups.

If the economic policy is based on the idea that only isolated groups are to bear the burdens while completely different groups reap the benefits, we will not succeed.

That is why an economic policy must be pursued in the interest of the entire nation.

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ECONOMIC

SWEDEN

BRIEFS

BUDGET DEFICIT BELOW EXPECTATIONS--It appears that the national budget deficit this year will be considerably less than the government expected. The deficit for this fiscal year will be about 53 billion kronor, according to the first budget forecast by the RRV (National Audit Bureau) covering fiscal 1985-1986, which began on 1 July of this year. The RRV reports that the deficit is about 8.3 billion kronor less than the government expected in its national budget. The government is usually delighted with a declining budget deficit. But this time things are a little different, because the main reason for the declining deficit is that wages and private consumption have increased considerably faster than the government wanted them to. That has increased the state's revenues from payroll taxes and the value-added tax, and the result is a lower budget deficit. [Text] [Stockholm DAGENS NYHETER in Swedish 4 Oct 85 p 4] 11798

SMALLER BUDGET DEFICIT FORECAST--The deficit in the state's operations will be considerably lower in fiscal 1985-1986 than it was in the preceding fiscal year, according to the National Audit Bureau. The RSV [National Tax Board] estimates the deficit for the previous fiscal year at 69 billion kronor and expects it to total 53 billion kronor for this fiscal year. That is also about 8 billion less than was estimated in the national budget. The improvement is due chiefly to the fact that wages--and consequently tax revenues--are rising faster than expected and that interest on the national debt has been adjusted downward. [Text] [Stockholm DAGENS NYHETER in Swedish 4 Oct 85 p 9] 11798

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ENERGY

NORWAY

STATOIL CHIEF: SOVIETS AIM FOR STRONGER GAS SALES POSITION

Oslo AFTENPOSTEN in Norwegian 27 Sep 85 p 29

[Article by Flemming Dahl: "Statoil Chief on Gas: 'Soviet Dominance'"]

[Text] "The Soviet Union will be the main supplier when continental Europe is likely to become dependent on new gas imports during the second half of the nineties," predicted Statoil Chief Arve Johnsen at the European Gas Conference in Oslo yesterday.

Johnsen listed three reasons for this:

--The Soviets already play a key role in supplying gas to continental Europe.

--By that time the Soviets will have a capacity to supply 75 million tons of oil equivalents per year to continental Europe--a capacity of which only 75 percent will be utilized, based on existing contracts.

--The Soviets are sitting on well over one-third of the world's gas resources and will most likely be inclined to sell gas at prices that are competitive relative to gas prices of other suppliers and vis-a-vis other energy sources. "The fact that gas exports will probably be one of the best sources of hard currency for the Soviet Union provides a stronger explanation for this sales policy," said Johnsen.

He mentioned Algeria as another very important gas supplier to continental Europe during the latter part of the nineties and said that new supplies from Norway would never be an alternative to gas from the Soviet Union and Algeria. But as he said: "Norwegian supplies will be the only possibility for European oil companies to reduce their dependency on imports from non-Western European suppliers."

To what degree new Norwegian gas will be purchased by the continent depends mainly on the outcome of the current negotiations on Norwegian Troll-oil, stated the Statoil chief.

At the conference, Researcher J.P. Stern of the Royal Institute of International Affairs in London, submitted figures that show that 79.3 percent of the Soviet Union income from hard currency in 1984 is ascribed to energy

exports--arms sales and oil that was re-exported from countries in the Middle East were not included in the calculation.

Of the 79.3 percent, oil exports represented 61.percent; gas exports 16.6 percent and coal and coke 0.9 percent.

Stern considered it likely that later on the Soviet Union will seek entry to the British gas market--among others--where the Soviets are not represented, but where the Norwegians have been present for many years making large deliveries and where Norway now hopes for new delivery contracts.

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ENERGY

NORWAY

RESEARCH COUNCIL CITES INDUSTRY ADVANTAGES IN SWITCH TO COAL

Oslo AFTENPOSTEN in Norwegian 8 Oct 85 p 14

[Article by Georg Parmann: "Four Years of Research Show That Changeover From Fuel Oil to Coal Produces Savings and a Better Environment"]

[Text] For many Norwegian industrial firms, energy costs are burdensome even though the firms have taken measures to conserve energy. A change from fuel oil to solid fuel appears to be the answer for many firms to bring their costs down further. Several installations which have been built for coal firing in recent years have proved to be good investments, and the firms have shown that the environmental problems have not worsened.

This is the conclusion of a research program conducted by The Royal Norwegian Council for Scientific and Industrial Research, the coal project, which has been going on for over 4 years. The results will be presented at a seminar which is being arranged by the Boiler Association for Norwegian Energy in November. Three large industrial firms and about 10 nurseries have since 1983 converted from fuel oil to solid fuel. The new investments were paid for in from one-half to four or five years, and some of the nurseries came out best.

The largest installation is at Sande Paper Mill in Sande. This installation is also intended for other types of solid fuel besides coal, and it will be capable of burning the firm's waste bark, chips, etc.

Jens Eirik Nilsen of the Boiler Association for Norwegian Energy told AFTENPOSTEN that the installation at Sande is interesting because it is the first of its kind in Norway. The installation has spiral-flow combustion, in the industry called rapid fluidizing bed, which makes it possible to have effective combustion of different types of fuel, and at the same time have favorable environmental results. With the addition of lime it is possible to remove the fuel's sulfur content and convert it to gypsum.

The two other industrial firms which have converted to solid fuel are Jahre's factories in Sandefjord and Denofa and Lilleborg factories in Fredrikstad. Nilsen says that also the Follum factories in Honefoss are seriously considering converting to solid fuel.

It is surprising that more industrial firms which use significant amounts of fuel oil are not considering conversion to solid fuel. One of the reasons could be the availability of electric power as a way to reduce energy costs. There is, however, nothing to indicate that there will be unlimited access to such cheap power in the years to come, and a change to burning solid fuel would therefore be an economic alternative for many.

It is the development of the price of fuel oil which has made conversion to solid fuel profitable, in the first place to coal. It has been calculated that if Norwegian industry replaces one-fourth of its fuel oil consumption with coal the annual savings will be between 150 and 200 million kroner. At the Sande Paper Mill they expect to save fuel amounting to about 10 million kroner per year. Here they have invested 40 million kroner in the installation which was put into operation in July. In individual nurseries the profits have been even better, so that investments which were needed to make the conversion to coal were paid back in one-half year, said Nilsen.

The environmental problems from coal firing do not appear to be great according to the final report from the coal project. The state pollution control authority has taken several measurements which show that the problems of remaining within the limits for emission of sulfur dioxide and dust from the installations are not important. In many cases there are concrete improvements in dust emission and carbon fallout.

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ENERGY

NORWAY

OIL, GAS SEARCH MOVING INCREASINGLY NORTHWARD

Oslo AFTENPOSTEN in Norwegianl Oct 85 p 53

[Article by Morten Woldsdal: "The New Hunt for Oil"]

[Text] The oil companies are sending their drilling rigs steadily farther north--in the hunt for new, large oil and gas discoveries. So far the exploration on Tromso flake has not lived up to expectations. The long distance to the markets makes it unprofitable to develop the gas discoveries which have so far been made. The depth of the sea in the north is greater than in the known fields in the North Sea. That means that expansion with the traditional technology will be significantly more expensive than in the south.

The experts believe that the large oil and gas fields in the North Sea have been discovered. In order to maintain--and indeed expand--Norwegian oil activity the authorities have opened several new areas in the north for oil and gas exploration. The oil companies want to be assigned exploratory blocks in new concession rounds both to the north and east of the Tromso flake.

Therefore in the coming years Norwegian oil activity will move into new and unknown waters. They are entering entirely new geological provinces. There have recently been discovered new types of rocks which never before have been found in Western Europe. Rocks which are 200-300 million years old, while the oldest rocks in the North Sea are "only" 60 million years old. The enormous oil fields in the Middle East--in countries such as Saudi Arabia, Iran and Iraq--were found in the same types of rock that now have been discovered in the so-called Lopparyggen on the Tromso flake. That does not mean, however, that Lopparyggen will become a new Middle East--probably far from it--even though Norsk Hydro recently found oil on Lopparyggen...

Clear Goal

The goal of the increased Norwegian activity in the north is entirely clear: Find more gas, so that there can be the greatest possible total expansion of gas fields in the north--and also to find oil fields which can justify an

expansion by themselves. That would create new and welcome growth for business in north Norway. It is entirely uncertain today whether these goals will be fulfilled. Nobody will know whether there are really any profitable fields in the north before there is drilling in the new areas. But the oil companies, the authorities and local individuals still have confidence that there will be an oil adventure in the north.

Halten bank off the coast of middle Norway is today most popular with the oil companies. Several promising oil and gas discoveries recently have resulted in the justification for expansion already being present. It is expected that the first oil and gas will be produced on Halten bank early in the 1990's. This area will therefore come into production long before the Tromso flake, where the experts do not expect production before the year 2000. If there are not any major discoveries in the next few years...

The oil companies are confronting almost the same conditions on Halten bank as in the North Sea: the climate is about the same as in the south, the depth of the sea is feasible for expansion of the field and the distance to the markets is not unprofitably great.

Major Discovery is Necessary

On the Tromso flake--and in areas farther to the north and east--the situation is otherwise, however: Very large amounts of gas must be here in order to be able to justify the investment of billions in pipelines the long distance to the markets in West Europe. The sea depths are so great that traditional production platforms must be built so high that the costs would be infeasible. Lower air temperature than in the North Sea furthermore creates problems with the formation of ice on the platforms in the wintertime--problems which require more expensive technical solutions than in the south.

So far significant amounts of gas have been discovered on Tromso flake. Altogether more gas has been found than the reserves in the known North Sea fields such as Frigg and Sleipner. If the Tromso flake discoveries had been in the North Sea, they probably would have been expanded long ago. But they were not.

Askeladden, Snohvit and Albatross--as the discoveries are called--are several thousand kilometers from the gas markets in the south.

Gas Pipeline

In recent years there have been several studies of the possibilities for laying a gas pipeline from Tromso flake to West Europe. Such a pipeline could lie on the ocean floor along the coast, it could be placed on land through Norway or through Sweden. The conclusions of these studies were clear, however: The large amounts of gas which are found in the north are not nearly large enough to justify such a gigantic project economically. The gas reserves must be doubled several times to make such a solution profitable. In

order to achieve that, enough gas must be transported through the pipeline per year to equal Norway's total consumption of electricity in one year. And the gas reserves in the north are nowhere that large.

Nor will the West European gas market have a need for North Norway gas for many years. The gas from the Troll field will--if an agreement is reached--cover West Europe's needs for new sources of gas until the year 2000. Therefore alternative markets for the North Norway gas are being sought. The bringing ashore of gas from Tromso flake to a large terminal installation ashore, cooling the gas to its liquid state, and shipping it to the American market appears to be the most realistic solution today. Some of the cooled gas (LNG) can also be shipped to West Europe and Japan.

But the LNG solution would also be too expensive for the reserves which have been discovered. According to Statoil the project alone will cost about 40 billion kroner, and that is too much to make expansion profitable with today's reserves.

Tromso Flake

The depth of the sea at Tromso flake and in the new areas farther north and east is considerably greater than at Ekofisk, Statfjord and Frigg in the North Sea. In the fields the depths are 70, 145 and 100 meters respectively. At Tromso flake the gas discovery is at 250-300 meters deep, while the depth is almost 400 meters in the new blocks which are now open for exploration. So far no fields have been developed in Norwegian waters over 200 meters deep.

The greater the sea depth, the higher must be the traditional production platform if it is to be placed on the field. Press spokesman Hakon Lavik in Statoil reports that the cost of the platform quadruples when the depth of the sea doubles. In the north only very large oil fields will be profitable in such water depths as these. And such oil fields have not yet been found--and nobody knows if they ever will be found in the north...

"Therefore the oil companies must think differently--how the expansion solution can be cheaper by making the large production platforms superfluous," said Lavik. Extended use of production installations placed on the sea floor will make the gigantic platforms superfluous. Use of floating production platforms combined with production from underwater installations is perhaps today the solution which seems the most realistic for the northern area. But there is active research and development work on this subject, and much can happen in a few years. "There are a great many ideas, even though most of them will never go farther than the drawing board," said Lavik.

Icing

The air temperature at Tromso flake averages one degree lower than in the North Sea. That means that the sea spray over the platforms freezes to ice in the winter. Icing is not a problem in the North Sea. On the Tromso flake on the other hand the oil companies must install deicing systems to prevent

the formation of ice from creating weight and stability problems. Lifeboats and other lifesaving equipment could freeze fast. Platform decks would become dangerously slippery and fuel tanks could freeze. It would therefore be necessary to have extra insulation and superstructure over equipment. These are not technical problems, but they cost money to solve. And the greater the expenses are, the more oil and gas must be found by the oil companies in order to justify profitable expansion projects.

Tailor Made for Winter Drilling in the North

The brand new drilling rig "Polar Pioneer" which is ready for use was, from the first line on the drawing board, "tailor made" for year round drilling off North Norway, north of the Polar Circle.

One special feature of "Polar Pioneer"--which cost roughly 900 million kroner and is among the world's largest drilling rigs--is that practically all the workplaces, including at the top of the drill tower, are enclosed and therefore protected against wind and weather.

Another special feature is that it is equipped with kilometers of heating cable which will prevent ice formation.

The rig is ready at a time when drilling for oil and gas on the northernmost part of the Norwegian continental shelf is approaching its first winter season. The drilling began in 1980, but the authorities wanted to advance step by step, and so far have not allowed activity in the winter months.

Chief of information Tor Steinum at Norsk Hydro does not deny that the rig was expensive to build, and will also be expensive to lease, but he emphasizes that in return it is expected to be very effective--partly because of the enclosed workplaces and improved working environment, and partly because of the more advanced equipment. These two factors will contribute greatly to safety against accidents.

"This represents the start of an entirely new generation of drilling rigs," said chief of information Steinum about the yellow-painted and impressive "Polar Pioneer," which was built by the Hitachi Zosen Shipyard in Japan.

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ENERGY

NORWAY

OPEC ISSUES NEW STRONG WARNING TO NORWAY ON OIL PRODUCTION

Oslo AFTENPOSTEN in Norwegian 4 Oct 85 p 4

[Article by Flemming Dahl: "OPEC Brings New Strong Warning to Norway"]

[Excerpts] Vienna, 3 October--"The world's economy can fall into a catastrophe if countries outside of OPEC do not contribute to limiting global oil production," claimed OPEC's president, Dr. Subroto from Indonesia during the organization's meeting of ministers here on Thursday. In oil circles the president's words were interpreted as one of the strongest warnings so far from OPEC to nonmember countries such as Norway and Great Britain.

"The time is now here for dialogue and cooperation," said Subroto about the strained conditions between OPEC and the other oil producing countries. When OPEC on several previous occasions has requested Norway to reduce oil production to contribute to stable oil prices and thereby to stability in the world's economy, Norwegian authorities have failed to comply. Oil and energy minister Kare Kristiansen has recently repeatedly said that there is no question of reducing production.

During the meeting on Thursday Subroto said, "It is logical to wait, and to demand cooperation from all parties in the energy industry." The meeting here is taking place at a time when Norwegian oil production is in a strong period of growth, in sharp contrast to OPEC's wishes.

Subroto said that OPEC, through powerful restraint on production over a long period, has contributed to stability. "But now we demand that others realize their responsibility and behave accordingly," he added.

The OPEC president did not mince words when he described the possible situation facing the world: "The less that producers outside OPEC cooperate, the more likely the world is to reach a catastrophe of unlimited proportions."

Subroto gave a weak response and did not amplify it when AFTENPOSTEN asked if he really believed that Norway would comply with the request to contribute to stability in the oil market.

Various developments in recent days and weeks have resulted in the market being more stable than many predicted during late summer, but Subroto said that nobody should believe that stability will endure without certain contributions from producing countries.

ENERGY

NORWAY

ENERGY MINISTER INDICATES COUNTRY REJECTING OPEC CUT REQUEST

Oslo AFTENPOSTEN in Norwegian 7 Oct 85 p 4

[Article by Flemming Dahl: "Norwegian Oil Production Will Not Be Reduced"]

[Text] Minister of Oil and Energy Kare Kristiansen is giving no indication that Norway intends to comply with last week's request by the Organization of Petroleum Exporting Countries (OPEC) for reduced oil consumption.

In an obvious address to non-OPEC countries such as Norway and Great Britain, OPEC said during its meeting of ministers in Vienna last week that countries outside the organization should reduce their production in order to contribute to the balance between supply and demand, and thereby to stable prices on the world market.

When OPEC on previous occasions came with corresponding requests, several times in direct conversations with Kare Kristiansen, Norway has neglected to comply with them.

Kare Kristiansen emphasized, however, that he would present and amplify Norway's position if OPEC again makes direct contact for discussion of the size of Norwegian production.

"I consider it very important that we not merely talk with each other by means of newspaper notices and official statements," he told AFTENPOSTEN.

When the OPEC president, Indonesian oil minister Dr. Subroto, said at the Vienna meeting that the world's economy would suffer a catastrophe if other countries did not cooperate with OPEC on limiting oil production, he exaggerated the situation according to Kristiansen. Kristiansen referred to reduced exports from Iran (OPEC member) and the Soviet Union (non-OPEC) and said that oil prices have shown a rising tendency.

Kristiansen also believes that Professor Oystein Noreng of the Business Economics Institute contributed to overdramatization when he last weekend supported the OPEC viewpoint.

"I believe they are totally exaggerating the importance of the relatively small production that we have," said the oil and energy minister.

He emphasized that in previous conversations with OPEC representatives he has explained Norway's position and presented prognoses for Norway's future production.

During the Vienna meeting the OPEC nations showed that they were incapable of agreeing on new production quotas for each individual member country. Kristiansen believes that in that situation it is tempting for OPEC to direct the spotlight on other nations. After the Vienna meeting OPEC made it clear that production quotas for member countries and pricing policies will be discussed again during the next planned meeting of the organization in Geneva in December.

Among people who follow the oil market daily there is a certain confidence that oil prices will remain up through the autumn--for one reason because of the Russians' production problems, and also Iraq's bombing of Iran's export installation on Kharg Island. But such observers also see the possibility that individual OPEC countries will make independent decisions to increase production beyond their assigned OPEC quotas, so that the market will be flooded and prices drop.

To the extent that prices remain up until the OPEC meeting in December, the outcome of that meeting may be of great importance for price developments in 1986 according to the observers. They point out that the need for oil will normally fall when winter turns to spring, and they emphasize that a mild winter can make it extra difficult to avoid a price decline.

Minister of Oil and Energy Kristiansen sees no immediate reason why Norway should invite OPEC to more thorough talks. But he would not be surprised if a request for that comes soon from OPEC, as has happened after earlier OPEC meetings.

"I place high value on good contacts with OPEC, and I will continue to do so," said Kristiansen.

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OCEAN/POLAR ISSUES

DENMARK

BRIEFS

PLAN FOR POLAR INSTITUTE--A new polar institute is to secure Danish participation in international arctic research. The minister for Greenland, Tom Hoyem (Democratic Center), will receive a report in October from a study committee that for about a year has sought to find the most suitable organizational structure for the institute, which is to function as a link between Danish and foreign scientists. Among other things, a database will be created with information about present research projects, literature and key people in the scientific work. The minister has presented the plans at a conference in Narsarsuaq in the south of Greenland where 150 scientists from many countries are discussing technology and the exchange of information between the two superpowers, the United States and the Soviet Union, both of which have strategic interests in the arctic areas. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 19 Sep 85 p 6] 12819

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